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Global Citizenship Report

2017

> ***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.

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 calendar year 2017. We have focused our reporting on 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. In addition, we 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).

Building on our 2016 reporting approach, this year we continue to embed the Sustainable Development Goals (SDGs) into relevant sections of the report. Our SDG-related reporting is further supplemented by a summary report, Banking on 2030: Citi and the Sustainable Development Goals, released in 2017.

In this report, for the first time, we have included an index showing where report content is specifically aligned to the recommendations of the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

Finally, this report supplements information published in our 2017 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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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.

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 209,000 to serve our customers and clients
- Leading bank with 200+ years of experience

Institutional Clients Group

Largest proprietary global network with a client base of 14,000 and a presence in **98 countries**

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

Serves more than **80%** of global **Fortune 500** companies

Global Consumer Banking

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

Serving over **100 million** customers

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

CITI'S VALUE PROPOSITION

A Mission of Enabling Growth and Progress

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

Citi's mission is to serve as a trusted partner to our clients by responsibly providing financial services that enable growth and economic progress. Our core activities are safeguarding assets, lending money, making payments and accessing the capital markets on behalf of our clients. We have 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.

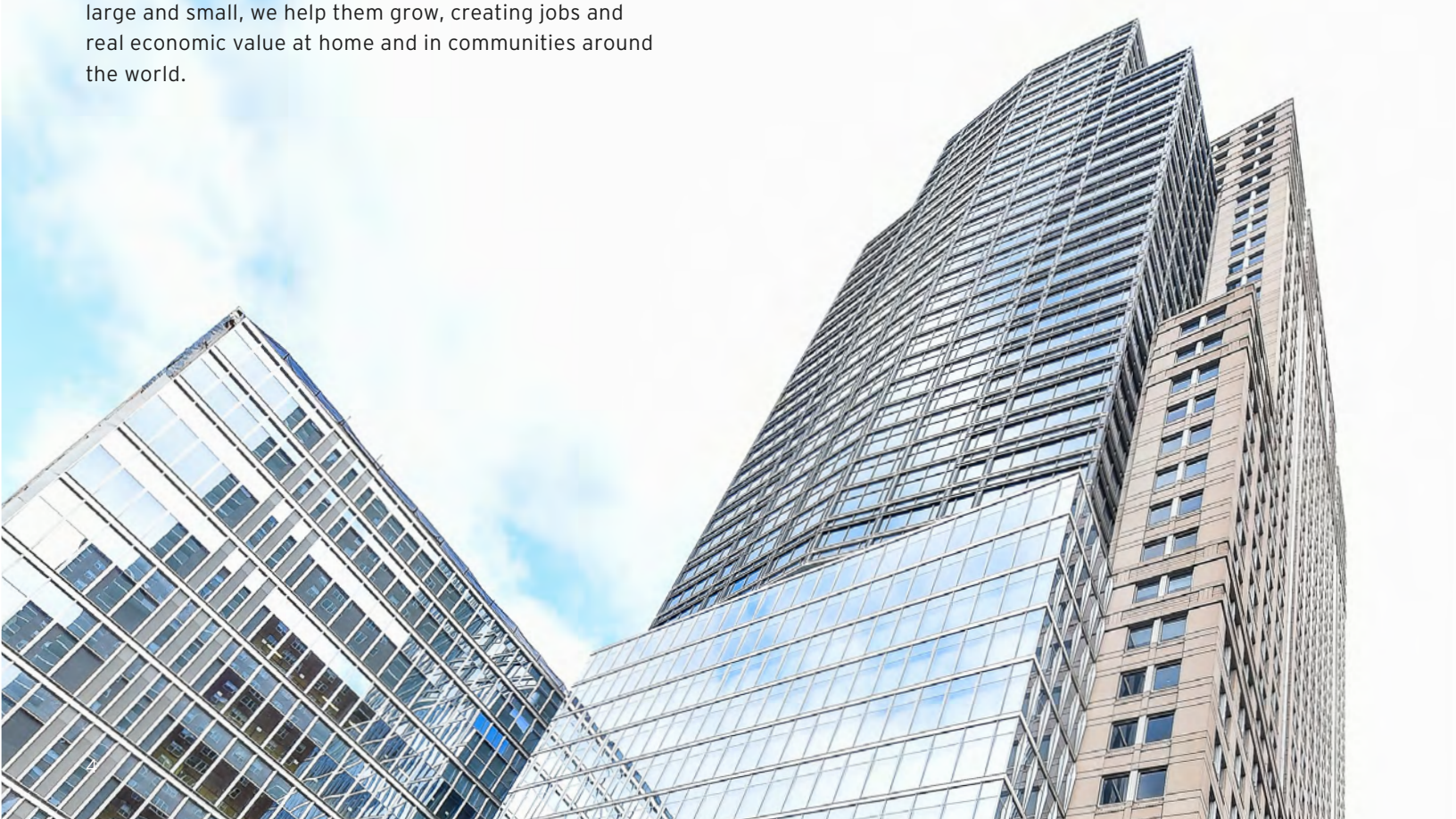
We protect people's savings and help them make the purchases — from everyday transactions to buying a home — that improve the quality of their lives. We advise people on how to invest for future needs, such as their children's education and their own retirement, and help them buy securities such as stocks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

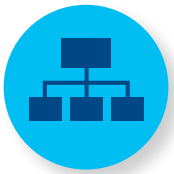
These capabilities create an obligation to act responsibly, do everything possible to create the best outcomes, and prudently manage risk. If we fall short, we will take decisive action and learn from our experience.

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

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 the communities around the world and here we outline our approach to ensuring that our activities enable growth and progress.



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 growth and 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 Conduct 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

We continue to leverage our corporate voice for good, and we have taken a stand on a number of issues that matter to our employees, clients, investors and communities. For example, we issued statements indicating our continued commitment to pursuing sustainable solutions as outlined in the Paris Agreement, our support of immigrants from around the world

in the workforce and in our communities, our commitment to doing our part to help combat gun violence in the U.S., the importance of pay equity across genders and ethnicities, and our commitment to tolerance and racial and ethnic inclusion at a time when basic rights and freedoms are being called into question. 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. 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.

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 of our activities.

We continue to actively increase our involvement in creating solutions to some of the world's most complex and pressing challenges. 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.

ALL CITI EMPLOYEES HELD ACCOUNTABLE TO LEADERSHIP STANDARDS

Beginning in 2017, as part of the employee evaluation process, and in addition to being assessed based on their individual goals, Citi employees also receive feedback and a rating specifically aligned with our Leadership Standards. The Standards, which we first established in 2015, are the measurable skills, abilities and knowledge that all Citi employees should demonstrate to be successful leaders at Citi, and each is aligned with our Mission and Value Proposition and reinforces our approach to citizenship. This approach to employee performance assessment — looking at both individual goals and leadership — elevates our focus on leadership across all levels of the company and sets the stage for more focused and honest conversations on both the "what" and the "how" of an employee's contributions.

The following offers a high-level look at our Leadership Standards:

> Develops Our People

Builds talent and teams for Citi by creating a culture of meritocracy and transparency and by celebrating excellence, initiative and courage.

> Drive Value for Clients

Enables economic value and positive social impact for clients, companies, governments and communities.

> Works as a Partner

Works collaboratively across the firm and encourages others to achieve the best results for Citi and our clients.

> Champions Progress

Champions a culture of high standards, pushes for progress, embraces change and challenges the status quo in support of Citi's vision and global strategy.

> Lives Our Values

Ensures systemically responsible outcomes while driving performance and balancing short- and long-term risk.

> Delivers Results

Sets high standards and achieves performance objectives by creating a clear path toward ethical and sustainable results.

Citi's Support for Global Climate-Related Disclosures

Climate change is one of the most critical issues of our time. It is already affecting many industries and regions globally, and the related impacts are only expected to increase.

In order to increase the amount of reliable information about financial institutions' exposure to climate-related risks and opportunities, the G20 Financial Stability Board (FSB) formed a Task Force on Climate-related Financial Disclosures (TCFD) in December 2015. Chaired by Mark Carney, Governor of the Bank of England, and Michael Bloomberg, Founder of Bloomberg L.P. and Bloomberg Philanthropies and former mayor of New York City, the TCFD developed recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear and efficient, and that provide useful information to lenders, insurers and investors to support good decision-making. Citi was an early supporter of the TCFD recommendations, and when the group issued its Final Recommendations Report in June 2017, Citi CEO Michael Corbat, along with over 100 other company heads, signed a statement of support for the recommendations.

Following the publication of the TCFD recommendations, which included disclosure requirements for the financial industry and other sectors, 16 leading global and regional banks — including Citi — announced that they will work together with the United Nations Environment Programme Finance Initiative (UNEP FI) on a pilot project to implement the TCFD recommendations related to scenario analysis and strengthen their disclosure of climate-related risks and opportunities.

This collaborative, UNEP FI-led pilot project is in progress and will enable banks to work together toward TCFD-aligned climate-related disclosures in a credible, timely and cost-effective manner. The pilot will look at both the transition risks (e.g., due to changes in policies and adoption of new technologies such as electric vehicles) and physical risks (e.g., from drought or more frequent extreme weather events) of climate change, and how those risks could impact our business under three global warming scenarios: 1.5°C, 2°C, and a business-as-usual scenario of 4°C.

The pilot project is just the beginning of our journey to incorporate climate scenario analysis into our strategy and reporting. Through this pilot, we hope to learn and iterate over time to improve upon the methodologies and metrics that we use to measure and report on climate risks and opportunities.

TCFD in This Report

Citi is committed to transparency and reporting on our sustainability and citizenship efforts. We have a long history of reporting on climate-related issues, including in a number of the areas recommended by the TCFD, and have expanded upon relevant information in this report. In the TCFD index, we have highlighted where content that directly relates to the recommendations can be found throughout the report.

There are areas of the TCFD recommendations that Citi is still actively working to address, including the use of climate scenario analysis. Assessing climate-related risks is an area where Citi has been increasingly focused. Through the UNEP FI pilot project, we are expanding upon our climate risk assessment efforts by using climate scenario analysis, a key part of the TCFD recommendations, as a tool to measure climate-related risks and opportunities and their potential business implications under a range of different future climate conditions. Early results of the pilot project are expected in spring 2018, after which Citi will expand our reporting on climate-related disclosures as appropriate based on the outcomes of the pilot.

Citi and the Sustainable Development Goals

In our 2016 Global Citizenship Report, we began connecting our reporting to the UN Sustainable Development Goals (SDGs), a core part of the 2030 Agenda for Sustainable Development adopted by the 193 Member States of the UN in September 2015. The UN Conference on Trade and Development estimates that global investment needs for the SDGs are on the order of $5 trillion to $7 trillion per year.[1] Because access to financing will be key, we recognize that Citi has an important role to play in helping to finance the SDGs.

We released a report in 2017 outlining how Citi's activities relate to our priority SDGs, and will continue to report on our alignment with the SDGs in our annual Global Citizenship Report. Throughout this 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 directly reference only those where we can describe specific impacts.

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7 **Affordable and Clean Energy**
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8 **Decent Work and Economic Growth**
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9 **Industry, Innovation and Infrastructure**
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11 **Sustainable Cities and Communities**
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13 **Climate Action**
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17 **Partnerships for the Goals**
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[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

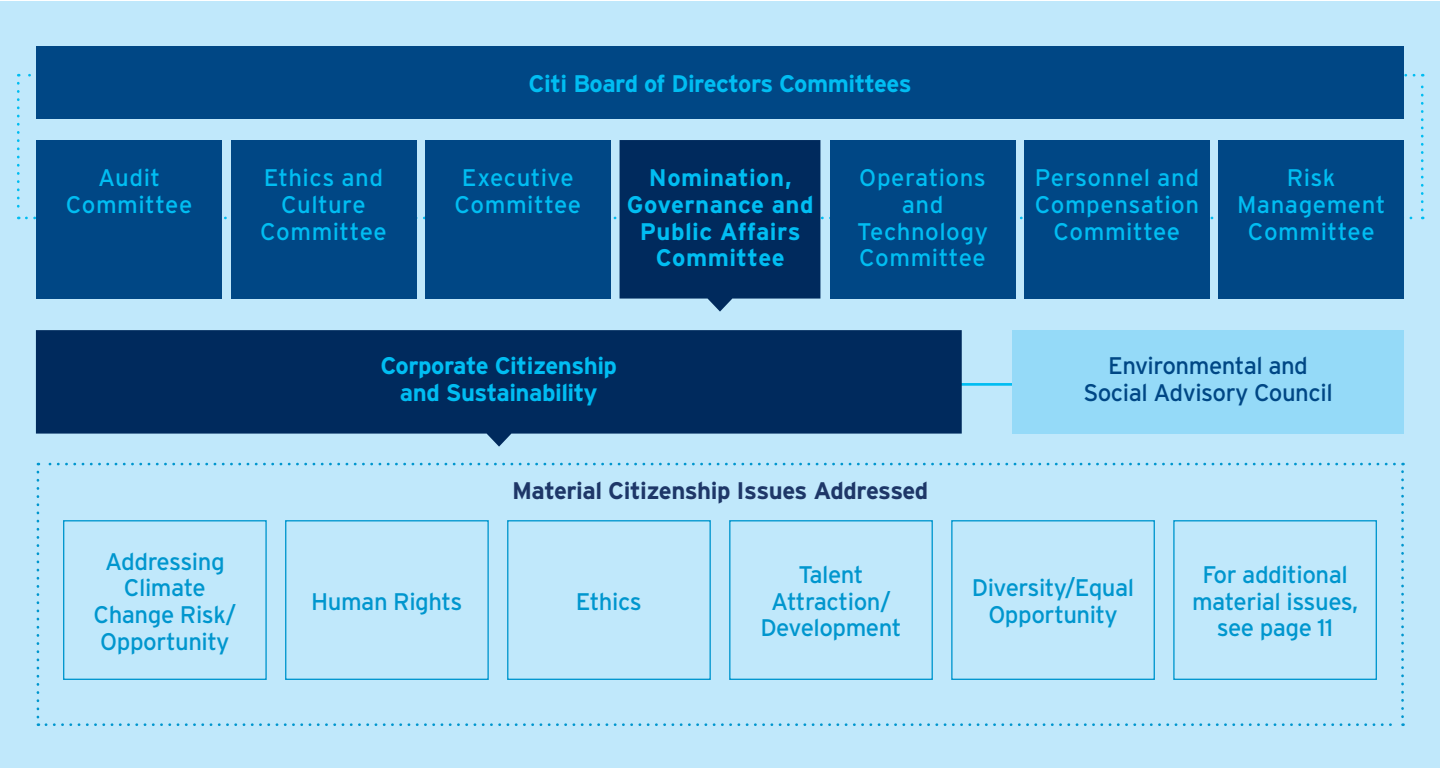
Our governance structures, policies and processes serve employee, client and community needs and promote a culture of accountability and ethical conduct across our firm. Information about Citi's corporate governance is publicly available on our website.

Our Board of Directors aims to have at least two-thirds of its members as independent directors. Currently, 88 percent of the Board is independent. Additionally, the Chairman 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 for our efforts to ensure responsible business practices. For example, the Personnel and Compensation Committee reviews all compensation programs, including incentive compensation, to ensure 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 on the previous page, 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 Director of Corporate Citizenship and President of the Citi Foundation. The Director 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. The Director 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 Director of Corporate Citizenship, works in partnership with our businesses to lead and implement our ambitious Sustainable Progress Strategy globally. 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 also has a cross-functional Climate and Sustainability Council, based in London, focused specifically on our sustainability performance in the Europe, Middle East and Africa region.

Citi's ESRM Policy is managed by the ESRM team, which works closely with ESRM specialists in the business and regional ESRM Champions. Our Corporate Realty Services group also has a specialized sustainability team that manages our environmental footprint and green building goals, and our Enterprise Supply Chain team oversees supply chain sustainability. These specialized teams sit within their respective business units, ensuring ownership of sustainability goals throughout the company.

Youth participants from the Youth Co:Lab program, implemented in partnership with the United Nations Development Programme

CHARITABLE GIVING

The Citi Foundation provides grants – totaling $79 million in 2017 – to organizations aligned with the Foundation's focus areas: youth economic opportunities, sustainable cities and financial inclusion. We highlight the work of Citi Foundation programs, such as Pathways to Progress, City Accelerator and Community Progress Makers, throughout this report. To learn more about the Citi Foundation, visit citifoundation.com.

Citi provides considerable charitable contributions from our various businesses – totaling $68 million in 2017 – which support a range of charitable causes aligned with Citi's mission of enabling growth and progress.

Ethics and Business Practices

Ethics and responsible business practices are among the most material citizenship issues for our stakeholders and our employees. The Ethics and Culture Committee of the Board oversees 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 Conduct and Culture section of this report.

Our Material Issues: Citi in a Global Context

Our citizenship efforts and priorities across the company are informed by the wider societal context around us. We use a comprehensive materiality assessment process 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 and also what we consider raising to our Board and how we establish our citizenship priorities. Building on a materiality assessment conducted in 2015, we undertook a new assessment in late 2017 in collaboration with a leading stakeholder intelligence and engagement firm. The assessment included an online quantitative survey of global external stakeholders, who provided more than 200 individual responses, as well as of more than 500 Citi managing directors.

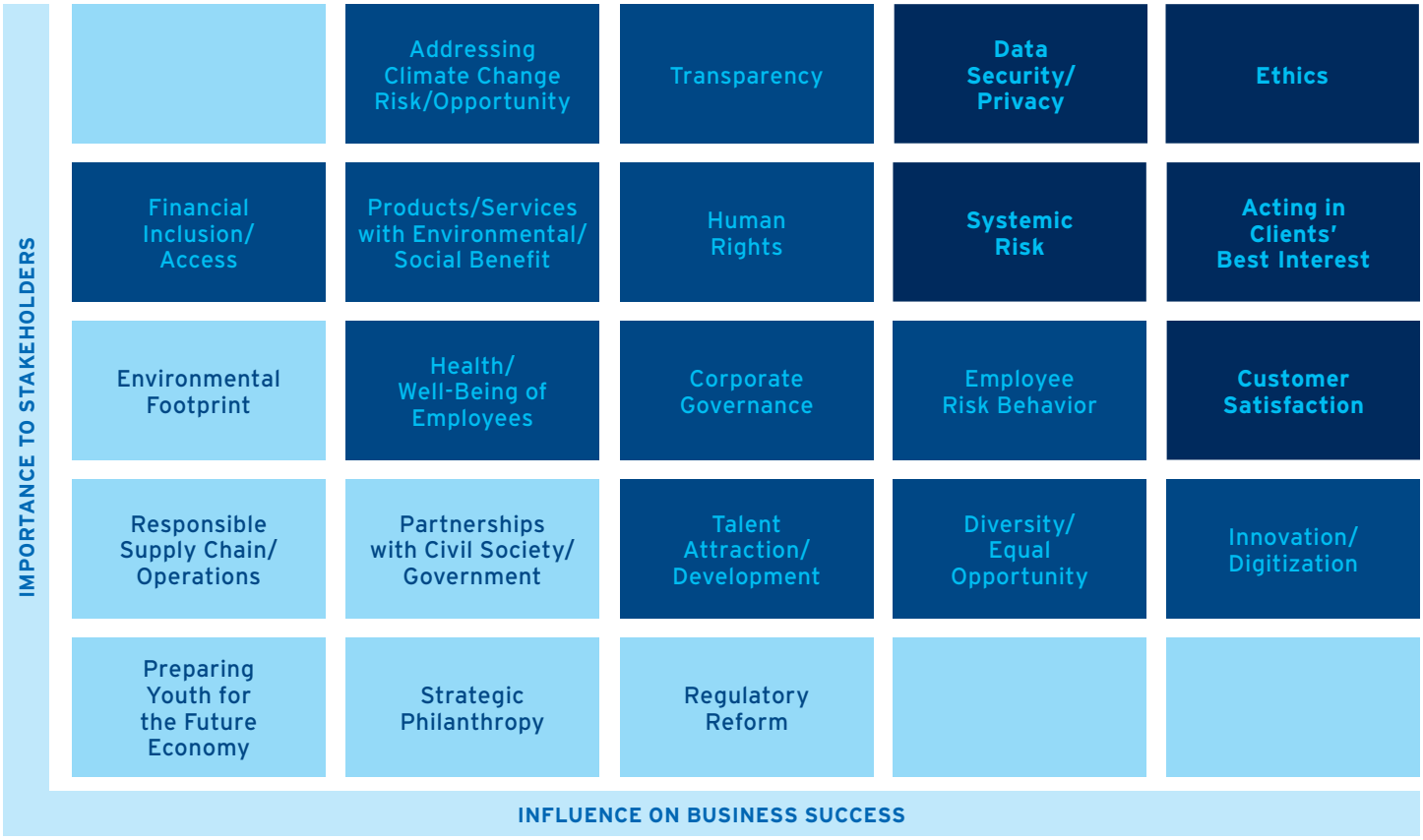
We considered the following factors when weighting issues in terms of their impact on our business:

- The inputs from the 2017 quantitative survey of managing directors from across the company
- A long-term lens to 2030, leveraging the expertise of Citi's Citizenship team through a short online survey
- A review of ESG attributes used by rating and ranking agencies such as the Dow Jones Sustainability Indices, RepRisk and Sustainalytics
- The impact the issues have on Citi's business and citizenship performance from an external stakeholder perspective

While our 2017 materiality assessment revealed relatively similar issues and priorities compared to 2015, a key insight underscored by this process is the interconnectedness among material issues, such as acting in our clients' best interest, systemic risk, climate change and talent attraction and development (see graphic below). 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. A key next step coming out of this analysis will be additional goal-setting to ensure that we are effectively aligning our priorities to our material issues.

GRI INDICATORS: 102-43, 102-46, 102-47

CITI'S MATERIAL ISSUES



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 to identify and address 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 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, Citi Community Development (CCD), Public Affairs, Government Affairs, Investor Relations and other teams across the business review their stakeholder partnerships regularly, as does the Citi Foundation. Sometimes this involves collaboration across business functions. For example, the Citizenship team works closely with Diversity, Recruiting and CCD to look at partnerships across our functions that relate to Citi's diversity priorities.

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

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

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	HOW WE ENGAGE	EXAMPLES FROM 2017
Investors	• Group Calls and Meetings (Quarterly earnings, investor conferences and Citi-hosted group meetings) • One-on-one visits to discuss financial performance and ESG issues • Communications through Investor Relations and Corporate Governance teams	• Hosted our first Investor Day in nine years to share the progress we've made as a firm and objectives going forward • Citi senior executives presented at a number of industry conferences for investors and peers • Members of the Board and senior management conducted calls with investors for input on a variety of governance and compensation matters
Government and Regulators	• In-person meetings, conference calls, lobbying activities, industry associations, public policy forums, press conferences, conferences and convenings • Membership on government councils and committees	• Citi's CEO participated in 47 meetings with regulators, central bankers and government officials • 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 workshop on culture and behavior in the financial services industry
Suppliers	• In-person meetings, calls, conferences and workshops • Corporate Responsibility Questionnaire	• 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, Chief Procurement Officer Summit and the National Minority Supplier Development Council Corporate Plus Summit

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	HOW WE ENGAGE	EXAMPLES FROM 2017
Community Leaders and Nongovernmental Organizations (NGOs)	• In-person meetings, calls, conference calls, emails, social media and events • Citizenship, Citi Community Development and Citi Foundation websites • Collaboration with NGOs on issues relevant to their organizations and our business	• Served on the Board of the UN Global Compact's U.S. Network • Engaged community leaders and NGOs at Citi Foundation events, including our Pathways to Progress, City Accelerator and Financing Sustainable Cities Initiative gatherings
Employees	• Company intranet, email, mail and in-person meetings • Voice of the Employee surveys • Employee Networks, volunteer councils and Green Teams • Volunteer events • In-person and online trainings • Performance reviews • Citi Blog	• 100,000+ employees, friends and families participated in events held in more than 500 cities across 91 countries • Approximately 16,000 employees participated in more than 150 Employee Networks, and 1,300 participated in 20 Green Teams globally • 194,000 employees completed compliance training, including on anti-money laundering, sanctions and anti-bribery topics • Featured stories from Citi senior executives, employees and partners highlighting how we enable growth and progress
Clients and Customers	• 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	• Engaged 21,000+ 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	• Working groups • Joint projects • In-person meetings, conference calls • Industry groups, roundtables, workshops and events	• Working on implementing the Financial Stability Board's TCFD recommendations with the UNEP FI and 15 other global banks • Served on the Steering Committee of the Natural Capital Finance Alliance • Member of the Equator Principles Association since 2004, along with 91 other financial institutions in 37 countries

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 being the best for 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 and outcomes that serve their interests.

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 those 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.

Conduct and Culture at Citi

Acting with integrity and responsibly providing financial services are critical parts of Citi's commitment to serve as a trusted partner to our clients. In addition to complying with all applicable laws, regulations, Citi policies, and our Code of Conduct, through our Mission and Value Proposition, we ask 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.

We establish and communicate Citi's ethical principles and values through our publicly available Code of Conduct, our publicly available Leadership Standards, various trainings and development opportunities, employee engagement initiatives and communications from our senior leaders. In doing so, we reinforce that our employees must apply our principles and values every day, to everything they do, everywhere 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 is responsible for our Ethics Program, including communicating Citi's values through the Code of Conduct, Code of Conduct training, and employee outreach efforts such as the Ethics Office Awareness Program and Spotlight on Ethics. The Ethics Program also includes Citi's Ethics Hotline, work with our business and control functions to identify control enhancements, and reporting on significant matters to Citi's internal and external stakeholders.

The Ethics and Culture Committee of the Citi Board of Directors oversees Citi's efforts to reinforce and enhance a culture of ethics throughout the firm.

The Ethics Office Awareness Program is an employee engagement initiative in which Ethics Officers meet with employees across different businesses and countries. Through town halls and small group discussions, Ethics Officers aim to increase awareness of and confidence in Citi's ethics process, address questions and obtain direct feedback on our Ethics Program. Since the inception of the Awareness Program, Ethics Officers have visited 20 countries and reached over 16,400 employees.

Our Ethics Office monitors internal compliance with our Code of Conduct by investigating concerns raised to the Ethics Office and also provides an annual report to employees citing the number and results of concerns raised through the Ethics Program.

Separately, we also perform an annual Voice of the Employee survey to gather feedback from our employees. Part of this survey is our Ethical Culture Index, which measures three items — comfort with reporting unethical practices without fear of reprisal, a feeling of accountability to identify and escalate issues, and manager encouragement of ethical conduct even in the face of pressure. In 2017, Index results remained steady, with 89 percent responding positively to Index items, compared to 88 percent in 2016.

Conduct Risk Management Program

Our global Conduct Risk Program is a key part of the effort to embed and embody Citi's core values and high standards of ethical behavior into our business strategy. We continue to implement this global program across businesses and control functions to manage and mitigate instances of conduct risk, including intentional or negligent actions of employees or agents that may harm customers, clients and markets. 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.

SPOTLIGHT ON ETHICS

Citi shares the results of actual ethics investigations with employees through a quarterly communication called Spotlight on Ethics that helps show 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.

In 2017, the Ethics Office also publicized an internal social media page that allows for collaborative discussion. This social media presence complements the existing Ethics Office internal website, which also provides employees with updates on Citi's Ethics Program and initiatives.

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. Individuals performing services for Citi may also be subject to the Code by contract or agreement. The Code is publicly available in 26 languages at our Investor Relations website.

In October 2017, we issued a new Code of Conduct. The 2017 Code 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. The 2017 Code also provides guidance on how employees can lead by example and emphasizes that all employees share a responsibility to promptly report and escalate actual or potential misconduct, whether their own or that of others.

The 2017 Code was approved by our Board of Directors. 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.

Citi employees are required to complete Code of Conduct training biennially following the issuance of an updated Code of Conduct. 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, and 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

Throughout 2017, we continued to emphasize to our employees globally the importance of escalating issues and to reinforce the principles embedded in Citi's global Escalation Policy.

These principles include employees' obligation to escalate violations or potential violations of law, regulation, Citi policy or the Code of Conduct. The multiple avenues through which employees can raise issues include, among others, their manager or other members of management, their Human Resources or labor relations representatives, internal legal counsel, a designated compliance officer and the Ethics Hotline.

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.

All concerns are treated as confidentially as possible, consistent with the need to investigate and address the matter. 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.

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 2017 for example, Citi, along with industry leaders and regulators, participated in the Federal Reserve Bank of New York's workshop on culture and behavior in the financial services industry. The workshop focused on measuring and assessing culture and behavior within and across financial firms and explored benchmarking, the need for outside perspectives and opportunities for establishing and sharing best practices.

Citi is also a member firm of the Banking Standards Board (BSB) in the UK. Together with over 30 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. James Bardrick, our Chief Country Officer for the UK, has been a BSB board member since its inception.

GRI INDICATORS: 102-42, 102-44

Managing Compliance Risk

The Independent Compliance Risk Management 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 that is consistent with the values and conduct expectations outlined by our Mission and Value Proposition, Leadership Standards and Code of Conduct. 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.

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 US 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 the Chief Compliance Officer, and information on anti-bribery compliance is disseminated to senior management at both the regional and enterprise levels and with 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.

> *"We have been rebuilding our credibility, our relationships with our regulators and, very importantly, a culture that's based on ethics and execution."*
>
> *– Michael Corbat, CEO at 2017 Citi Investor Day*

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 Sanctions Compliance Program that applies globally and is commensurate with our global footprint. As a financial institution organized in the U.S., Citi and its subsidiaries globally comply with applicable U.S. sanctions requirements, among other requirements.

Our enterprisewide Sanctions Compliance Program promotes compliance with increasingly dynamic sanctions requirements. The program includes policies and procedures, 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 Compliance Program and the associated policy is owned by the Chief Sanctions Officer, and the policy is approved by the Audit Committee of the Board of Directors.

Anti-Money Laundering Program

Citi's Anti-Money Laundering (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 enterprisewide controls govern the overall program, including 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 over 6,800 employees globally, including over 450 designated AML Officers covering every Citi business, function and geographic area. These specialists partner with various functions, including Compliance, Audit, Technology and the business, to ensure that we are able to effectively assess enterprise AML risk and meet our AML-related requirements at both the global and local level. In 2017, building on our centralization efforts in 2016, we continued to drive effective AML risk management across the firm and in all the businesses and geographies we support, working to meet our regulatory requirements on time and with the highest quality. For more information on Citi's AML Program, visit our website.

NUMBER OF EMPLOYEES WHO COMPLETED CITI'S 2017 ANTI-MONEY LAUNDERING, 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.)

Serving Our Customers and Clients Responsibly

Next-generation customer and client service is a key part of Citi's future growth as a trusted banking partner for people and institutions around the world. 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

At Citi, 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 needs of each client and offer only products and services that meet those needs. We work hard 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 for their financial needs.

For example, as part of our customer-centric approach to communicating with customers in a simple and easy-to-understand manner, our Global Consumer Banking's U.S. Branded Cards business continued to deliver targeted video messages in 2017. This content has been well received by customers, who indicate through customer surveys that it has led to increased understanding of key topics. For U.S. credit card customers, we introduced these personalized videos to further educate them regarding the Citi Mobile App, Citi Online, and Fraud Early Warning features. These videos provide straightforward information to cardmembers about how they can more seamlessly manage their account and make payments online, as well as the importance of up-to-date contact information in addressing unusual card activity quickly. Of those customers who watched the digital features video and responded to a survey, 89 percent said that they better understood how to access their account information. In addition, after watching the Fraud Early Warning video, 61 percent of survey respondents said they were not previously aware of the Fraud Early Warning feature before watching the video and 85 percent said they would very likely update their contact information after watching the video.

These initiatives are just some examples of our firmwide commitment to ensuring that our activities are in the best interest 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.

Treating Customers Fairly

Citi's Treating Customers Fairly Program (TCF), launched in the U.S. in 2013 and globally in 2015, aligns with Citi's Value Proposition and our Mission to serve as a trusted partner to our clients by responsibly providing financial services that enable growth and economic progress.

Citi's U.S. and Global Consumer Fairness Policies and the TCF Program 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 program serves as a platform to facilitate conversation, awareness and action among Citi colleagues to materialize our commitment to the Fairness Principles. The TCF Program provides a framework for analysis of consumer fairness concerns and a sustainable model for managing emerging risks. Citi's Business Practices teams have established formalized escalation processes to facilitate consistent, timely and appropriate identification, analysis and escalation of potential consumer fairness, 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 2017, approximately 100,000 Citi employees around the world completed the course.

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 product or services (particularly any limitations or exclusions)

Fair lending practices are a key component of our commitment to treating customers fairly, and in 2017 we updated our U.S. Fair Lending Policy to provide clearer and more specific guidance on consumer protection. The U.S. Fair Lending Policy establishes the guiding principles and minimum standards for fair, equitable, and nondiscriminatory access to credit. It prohibits discrimination against actual or prospective clients on the basis of race, sex, religion or other "nonrisk" factors. Our 2017 update to the policy clarifies that the prohibition against discrimination based on "sex" includes sexual orientation and gender identity, in addition to gender. Trainings related to the policy were updated to reflect this clarification.

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 tax payer, 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 (OECD) action plan to address base erosion and profit shifting.

Citi complies with reporting and withholding requirements imposed globally on financial institutions in connection with customer transactions they intermediate. We have implemented systems and processes to comply with the Foreign Account Tax Compliance Act and are phasing in compliance with the Common Reporting Standard as it becomes law in approximately 90 countries. Citi has implemented the Common Reporting Standard in all applicable 2016 early-adopting countries where local implementing guidance has been issued. Similarly, we have a firmwide 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.

In December 2017, the U.S. President signed into law the Tax Cuts and Jobs Act of 2017, which fundamentally changes the method of taxation of international income earned by Citi beginning in 2018. We have studied the provisions of the new tax rules and how they apply to Citi, and will continue to apply the same consistent, transparent and responsible approach to tax compliance and governance discussed above. For more information on the impact of tax reform on Citi, see our Fourth Quarter 2017 Results and Key Metrics.

Public Policy

We engage directly, and indirectly through trade associations, with governments and elected officials around the world to advocate public policies that support the interests of our company, clients and employees in the countries and regions where we operate. In 2017, guided by our Political Activities Statement, which ensures compliance with all applicable laws and regulations, we promoted 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 online. We also provide 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, on our Corporate Governance webpage. Our disclosures and contributions are overseen by the Nomination, Governance and Public Affairs Committee of our Board of Directors.

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.

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. Getting there will require rapid and secure advancements that meet consumers' top expectations of convenience and simplicity. 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. As we embrace the business opportunities that digital solutions provide, we bear in mind the great responsibility we have to ensure our customers' privacy and safeguard their data.

Fostering Innovation

Increasing competition from tech startups and customer expectations for access, simplicity and connectivity require that established companies become more partnership-focused, agile and innovative. We have drastically changed our approach to innovation and product development in recent years to meet this challenge.

Citi has developed a model that fosters innovation by encouraging new ideas across our businesses. Through this model, created by our Citi Ventures team, we engage our employees and partner with our clients to develop, validate, test and deploy innovations quickly and effectively. We call this approach D10X℠, and its intent 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, similar to venture

CUPID MATCHES TALENT WITH INNOVATION AT CITI

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). Through CUPID, students from leading universities participate in semester-long Citi projects focused on emerging technologies, such as machine learning, natural language processing and big data analytics. CUPID seeks out talent beyond business graduate programs to include individuals studying design, engineering and public policy. Since we established this program in early 2017, more than 200 university students from 16 different universities in the U.S., UK and Canada have participated in cutting-edge innovation work at Citi.

200+
university students have participated in cutting-edge innovation work at Citi

16
universities in the U.S., UK and Canada

capital, when an idea is validated, employees pitch to senior executives to receive support for their startup, 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. As of 2017, more than 200 employees were working on nearly 100 internal startup ideas, with more than 1,500 employees involved in D10X since the internal growth model was introduced by Citi Ventures in 2015.

In early 2017, we announced our first D10X startup – CitiConnect® for Blockchain – in partnership with NASDAQ and Chain, a Citi Ventures portfolio company. By partnering with others to test and validate the idea, we were able to bring a solution to market that provides a bridge between blockchain platforms and Citi's global financial network. This integration provides a seamless end-to-end transactional process for private company securities, facilitates access to cross-border global payments on NASDAQ's Linq platform, and increases efficiency and ease of reconciliation with real-time visibility to transactions on the blockchain ledger.

We announced a second successful D10X pilot in November 2017. This solution – Proxymity℠ – has the potential to transform the proxy voting process through a digital platform, eliminating intermediaries and directly connecting and authenticating issuers with investors while making the voting process more efficient, accurate and transparent. The platform aims to give investors the maximum amount of time to research and cast their votes and enables issuers to receive votes in real time. It also offers confirmation to the investor that the vote was received and counted at the meeting, providing certainty that their fundamental shareholder right has been upheld.[1] CitiConnect for Blockchain and Proxymity are just two examples of the disruptive, high-potential innovations and ideas emerging right now from our D10X work.

TECH TALENT: CLOSING THE GENDER GAP, EMPOWERING THE LGBTQ COMMUNITY

During 2017, Citi partnered with the nonprofit StartOut to launch its Global LGBTQ Entrepreneur Network. The Network empowers the LGBTQ community by connecting entrepreneurs and their business partners with investors and mentors. Citi employees who participate receive access to StartOut's private global directory, online forums, mentorship program and investor portal.

Citi is also working to help close the gender gap in tech. In the Talent and Diversity section of this report, we highlight some of our efforts to encourage women in their pursuit of professional development and technology-related jobs within our company as well as develop future talent for the industry as a whole.

The Citi Foundation also promotes activities that encourage women to enter tech fields. For instance, it supports a Cornell Tech initiative that focuses on recruiting and retaining young women and connecting them with professional opportunities. The Citi Foundation also supports Laboratoria, an organization in Peru that identifies young women with high potential to participate in a program that rapidly teaches and prepares them for careers in the tech industry and then connects them with potential employers.

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 **5A** which includes helping 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 SPOTLIGHT: GOAL 5
Gender Equality

SDG SPOTLIGHT: GOAL 8
Decent Work and Economic Growth

[1] "Turning How We Innovate Inside Out," Citi (website), accessed January 2018, https://blog.citigroup.com/2017/11/turning-how-we-innovate-inside-out/.

CASE STUDY

Tech for Integrity

Corruption is a global problem that plagues the private and public sectors, inflating the cost of doing business and taking unfair advantage of people around the world. According to a World Economic Forum survey, 67 out of 144 economies consider corruption to be one of the top three challenges to conducting business in their country.[2] The cost to individuals is great, and the world's poor are often the hardest hit, with survey data indicating that 1.6 billion people annually have to pay a bribe to get public services.[3] 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.

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. To kick off the challenge, Citi released the results of a crowdsourced survey of more than 150 individuals, spanning public, private and nongovernmental organizations around the world, to identify integrity pain points on which developers should focus their efforts.

Selected participants joined a virtual accelerator program, which provided mentoring, curriculum and infrastructure support to help them enhance their submissions. Challenge finalists then showcased their solutions at one of six Demo Days in cities around the world. Those chosen to receive awards have the opportunity to work with any business, organization or government interested in exploring innovative integrity tools. In addition to the awards presented at the Demo Days, T4I presented the James Wolfensohn Game Changer Award to AID:Tech for its solution to bring social and financial inclusion to the world's undocumented and underserved populations using digital identity based on blockchain technology. These digital identities cut down on fraud and enable the efficient distribution of aid and other government benefits to communities.

SDG SPOTLIGHT: GOAL 9
Industry, Innovation and Infrastructure

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 outcomes of T4I.

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**

[2] Center for Strategic and International Studies, *The Costs of Corruption* (February 2014), page 1, https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/140204_Hameed_CostsOfCorruption_Web.pdf.

[3] U4 Brief, *Reducing Bribery for Public Services Delivered to Citizens* (October 2015), page 1, https://www.cmi.no/publications/file/5663-reducing-bribery-for-public-services-delivered-to.pdf.

Customer-Centric Solutions

Citi continues to work on digital solutions that are aimed at securely meeting and exceeding customer expectations for service and simplicity while moving our industry forward. Technology also has great potential to empower customers with financial information and open up access to financial tools for vulnerable and underserved populations.

Empowering and Engaging Customers Through Digital Platforms

A recent survey Citi 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). 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. Using this approach, we engaged more than 21,000 customers in co-creation during 2017 and added 32 core features and more than 60 sub-features to the Citi mobile banking app based on customer requests.

As we look to empower our customers, increase their satisfaction and enhance their access to financial information, we are expanding beyond individual apps, to integrate our services in digital ecosystems where our customers are already engaged. To do so, we are forming strategic partnerships with the digital platforms our customers already use, such as established social media and payment solutions, to make our services available securely, quickly and seamlessly. The following are just a few examples:

- Through our partnership with WeChat — a Chinese mobile app that provides instant messaging and payment services for approximately 900 million users monthly — Citi customers in China can apply for credit cards, access account balances, request credit line increases and redeem bonus points, among other capabilities.
- Using AliPay, one of the world's largest payment platforms with about half a billion users, customers can make a payment to their Citi credit card or use a Pay with Points option linked to their Citi accounts.
- In Singapore, Citi Bot — a chatbot on Facebook Messenger — provides account information and answers customer questions. Using our iterative approach to digital innovation, we rejected two earlier potential solutions, one due to security requirements and another because customers didn't respond well to it during testing. In response to customer feedback that they don't like talking aloud about their finances and account balances, we continued searching for just the right solution, which ultimately led us to this secure and intuitive chatbot platform.

MOBILE BANKING EMPOWERS CUSTOMERS

HIGHLIGHTS FROM CITI'S 2017 INAUGURAL MOBILE BANKING STUDY*

71%
of Americans who mobile bank once a week or more are more aware of their financial standing

As a result of mobile banking, Americans say:

43%
"I worry less about managing my finances."

36%
"I am more confident in my abilities to make sound financial decisions."

26%
"I save more money."

* "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/.

Encouraging Financial Inclusion Through Digital Solutions

Although the traditional banking infrastructure in many developing countries is limited, mobile phone use is often high. As a result, digital solutions such as mobile payments are growing in popularity. This technology increases transparency and efficiency, which can aid in humanitarian relief efforts and encourage financial inclusion by increasing access to loans and other financial products. In addition, mobile technology can help bolster financial inclusion because it is often more affordable and widely available in rural areas where people might not have convenient access to a traditional bank.

Citi supports this kind of technology through a range of efforts. One example is our engagement with One Acre Fund, a nonprofit organization that offers microloans to smallholder farmers in East Africa. The loans give farmers access to financing for farm inputs – primarily seeds and fertilizer – plus training in agriculture techniques and ways to better market their products and maximize their profits. In 2014, in partnership with Citi through our Citi Kenya and Citi Inclusive Finance units, One Acre Fund introduced the use of the digital mobile money service M-Pesa for loan repayments, replacing the previous cash-based system. In the cash-based system, farmers would make weekly microloan repayments to their One Acre Fund field officer, who would transport and deposit the collected cash. It would take up to two weeks to update loan balances and reconcile bank statements, in a process prone to uncertainty, inefficiency and insecurity. After the transition, farmers using the digital mobile money service instead of cash to make loan repayments reported a unanimous preference for the digital payments, due to their convenience, transparency and safety. In addition, farmers and One Acre Fund were freed from the burden of a long process with higher costs and a system that was much more prone to fraud. The platform is now being rolled out to additional countries. In 2017, the Better than Cash Alliance, which is based at the UN, published a case study on the Citi solution for One Acre Fund.

Through the use of digital solutions to increase financial access in underserved areas, Citi is working to support **SDG 9**, which aims to **build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.** Our work to help One Acre Fund transition to its current digital payment system demonstrates our ability to contribute effectively to target **9.3**, which aims 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,** and to target **9.A**, which focuses on **facilitating sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries** among others.

SDG SPOTLIGHT: GOAL 9
Industry, Innovation and Infrastructure

BENEFITS OF ONE ACRE FUND'S TRANSITION FROM PHYSICAL CASH TO DIGITAL REPAYMENT

100% preference for mobile repayment over cash, according to a 2015 survey of 250 farmers

85% decrease in losses from repayment fraud (dropping from $17,500 to less than $3,000 in one year)

2-4 DAYS total repayment processing time, down from 16 days

80% decrease in repayment collection costs

46% decrease in the time field officers spend on collection activities

Designing for Accessibility

Citi works to ensure that our products and services are designed for and accessible to our clients' varied needs and preferences. 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. Recognizing that we serve diverse populations, many of our services are provided in multiple languages. Citi products are also tailored to meet the needs of the individuals in the countries where we do business. For example, in South Korea the Human Rights Forum rated the Citi Mobile app, launched in December 2016, as No. 1 for accessibility for vulnerable populations due to the way information is presented on the pages throughout the app, the inclusion of alternatives to text, its brightness and use of tabs, and its scrolling feature.

Customer Satisfaction and Feedback

At Citi, we have 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. 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.

We also track customer satisfaction through the Net Promoter Score (NPS) system, which measures customers' willingness to recommend Citi to others. Our goal is to be No. 1 in the industry in NPS ratings. In recent years, we've enhanced our approach for capturing customer feedback through a new survey platform and reporting tool, through which we measure our NPS. 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. For example, in 2017, we launched a new NPS survey on @AskCiti to capture customer feedback immediately following a social service interaction. In addition, we rolled out a new ATM survey program in the U.S. and Mexico through which, following an ATM transaction, customers receive an email survey asking for feedback regarding their experience.

NO. 1 IN CUSTOMER SATISFACTION

In 2017, for the second-straight year, Citibank was ranked No. 1 for customer satisfaction among national U.S. banks in a report released by the American Customer Satisfaction Index. The report also ranked Citibank No. 1 among national banks for customer loyalty, customer retention, website satisfaction, call center satisfaction, ease of adding/changing accounts, competitiveness of rates and speed of transactions in branches.

Safeguarding Data and Protecting Customer Information

Digital solutions are an integral part of our daily lives, and as consumers, corporations and governments turn to technological solutions, the opportunity to leverage the benefits of big data grows. But with this significant opportunity comes 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 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 trainings 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, well-trained team. Our Global Information Security 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 program is accredited by the British Standards Institution, and Citi is the first major financial institution to have its Global Information Security Program ISO 27001 certified. The program is also regularly examined by regulators as well as by internal and external auditors.

Citi also collaborates with external stakeholders to raise the 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. Reinforcing our culture of ethics and responsibility, the Audit Committee of our Board oversees the development, implementation and maintenance of our Global Information Security Program. The program is managed by the Chief

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.

As part of our approach to safeguarding information, we invest in, develop and use advanced technology. For example:

- Pindrop Security, a Citi Ventures portfolio company, combines authentication and anti-fraud technology to analyze phone calls within 30 seconds, helping customer service representatives confirm whether callers are who they say they are. Citi helped to shape the company's product roadmap through testing, fine-tuning and adapting to fit Citi's infrastructure needs. Using Pindrop technology, more than half of all phone-based fraud attempts have been detected as the calls are taking place, and we have seen a reduction in fraud loss with lower operational costs and improved customer experience.
- Our SmartPass Touch ID technology — a collaboration between the Citi Ventures portfolio company Unbound and Citi's Innovation Lab — allows CitiVelocity clients to use fingerprint identification to log in to their accounts via their mobile devices. The fingerprint is tied to a password, which is randomly split between the mobile device and a server. This means the password is never stored on the device, which makes it more secure.

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 Chief Privacy Officer. The Chief Privacy Office team leads the Citi Global Privacy Program, which is overseen by the Citi Global Privacy Committee. The program provides a framework for effectively and efficiently overseeing and coordinating the management of privacy and confidentiality risks.

Our Privacy and Confidentiality Policy articulates principles for the collection, use, sharing and disposal of personally identifiable information (PII) and customer data in accordance with its disclosures and applicable laws and regulations. Our policies prohibit the collection of PII that is not necessary for the performance of the services offered or for the purposes disclosed in our privacy notice. Citi provides transparency on our practices and offers customers choices with respect to how their personal information may be shared. We also ensure that customers participate in the management of their PII where legally required, such as confirming their preferred method of communication, reviewing and correcting information and opting out of marketing solicitations.

Citi employees take required privacy and information compliance training, which covers privacy concepts; the importance of transparency in the collection, use and sharing of personal information; requirements related to PII collection, information protection and compliance with restrictions on data transfers; and expectations for enabling and honoring customer choices. More than 200,000 employees completed this training in 2017.

In Europe, the General Data Protection Regulation (GDPR) goes into effect in May 2018. This regulation is significant not only for its scope and ambition but also for the weighty penalties for noncompliance. The GDPR places greater emphasis on individual rights than previous requirements and will have a broader impact, affecting any entity established in or proactively offering goods and services within the European Economic Area. Citi is committed to complying with the GDPR and is working to ensure that we are well prepared for any required notifications.

For information about what we expect of our employees regarding the handling of personal, proprietary and confidential information (including customer information) see our Code of Conduct.

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.

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.

Research by Citi Global Perspectives & Solutions (GPS) estimates that reducing gender inequality, for example, could add 6 percent GDP growth to advanced economies over 20 years.[4] 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 helps us drive growth and progress.

We know we have more to do to become as diverse at all levels as we aspire to be, and we are committed to making specific changes where needed. For example, in January 2018, we announced new efforts to support pay equity. Based on an analysis of compensation in the U.S., the UK and Germany, we found that women at Citi are paid on average 99 percent of what men are paid, and U.S. minorities are paid 99 percent of what non-minorities are paid. This analysis incorporated a number of factors accounting for differences in pay, such as job function, seniority and geography. As part of this year's compensation cycle, we made adjustments to help close these gaps and further our goal to become an employer of choice for employees of diverse backgrounds. We are committed to continuing to review compensation for pay equity and will continue this analysis in all other countries where we work.

Managing Diversity

A diverse workforce that represents a wide range of backgrounds, perspectives and experiences is an important part of Citi's mission and is directly related to our ability to innovate and deliver results for our clients. Our diversity strategy, which we refreshed in January 2017, emphasizes a culture of embracing diversity that is embedded across all levels, from junior employees to the C-suite. As part of our Diversity Strategy, we are working to set additional representation goals to drive the hiring, promotion and retention of women and U.S. minorities.

Senior leaders across the company – including our Affinity Leaders and our Human Resources (HR) Operating Committee, among others – ensure that our programs and policies advance our culture of inclusion, and our Board of Directors reviews our progress and objectives annually.

We engage with employees at all levels to encourage a diverse and inclusive workplace. As such, we have structured our Affinity model to be more closely connected to our business strategy and to promote individual leadership and employee development.

[4] Citigroup, Inc., *Women in the Economy II* (November 2017), page 3, https://ir.citi.com/rxehymXStWqV7Y6S58ExJLPdJPjqZicwdoxqT%2FcOqDsBMFxbL%2FzcJiG%2FgKE%2BRxwHcad8oQrgD1w%3D.

Bringing Our Affinities to Life

Our Affinity model, built on the foundation of our global grassroots Employee Network program that has existed for many years, is our approach to disseminating the company's diversity priorities and goals. The work of our senior leaders to bring our Affinities to life across Citi has been an important signal to our employees worldwide. 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 increasing diversity at Citi. The Affinity leaders act as public champions for the priorities and needs of that demographic, both within the company and externally. Our 10 Affinities — Asian Heritage, Black Heritage, Citi Women, disABILITY, Generations, Hispanic/Latino Heritage, Citi Salutes, Multicultural, Parents, and Pride — each represent different demographics and are designed to ensure that we understand, appreciate and leverage the uniqueness of our entire employee base.

In 2017, we identified senior leaders and developed priorities for five of these Affinities and plan to do the same for the remaining five Affinities in 2018.

Employee Network Chapters

Employee Network chapters serve as local branches of our Affinities and are an important part of the implementation of our diversity strategy. These grassroots organizations are initiated and led by employees and 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. In 2017, we exceeded 150 Employee Network chapters globally, and anticipate more growth in the number of chapters as employee interest continues to increase.

AFFINITIES IN ACTION

Our Affinities are an important part of our approach to diversity and, through our new model led by senior leaders, we had some notable accomplishments in 2017:

Citi Women supported International Women's Day with over 238 events in 75 countries.

Black Heritage formed five new Employee Network chapters in the U.S., helping us reach 150 chapters across all Affinities.

Citi Women and Black Heritage rolled out a new initiative through which Citi senior leaders are mentored by diverse colleagues, to foster open dialogue and build understanding among executives of diverse employees' experiences in the workplace.

Pride was active in public advocacy efforts by the company, including signing the *Masterpiece Cakeshop v. Colorado Civil Rights Commission amicus brief* in support of LGBTQ equality in a Supreme Court case involving freedom of religion and LGBTQ rights.

Citi employees at the Hong Kong Pride Parade

Across Affinities, we piloted a mentoring program in which managing directors and directors mentor high-performing female and U.S. minority senior vice presidents and vice presidents over a four-month period, to facilitate personalized learning and development.

Representation Goals

In 2017, our CEO's leadership team agreed on an approach to implement firmwide representation goals. Throughout 2018, the team will work to set specific goals for representation of women (globally) and black employees (in the U.S.), working at the vice president level and above. We believe that setting goals will help accelerate our progress with respect to both of these groups.

The representation goals are being developed based on an analysis of representation and engagement data for each Affinity demographic, and will be set annually by senior leaders with the support of historical representation data, future growth plans, market availability and benchmarking data.

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 SPOTLIGHT: GOAL 5
Gender Equality

We are also working toward meeting other important metrics across other underrepresented populations. For example, the representation of employees of Asian heritage in the U.S. within Citi exceeds available candidate levels, so we are working to expand employee engagement and increase opportunities for advancement. For LGBTQ employees, we are working to enlist more allies and expand employee data collection to better capture employee self-identification of sexual orientation and gender identity.

CITI SIGNS THE WOMEN IN FINANCE CHARTER

In July, 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. Signatories to the charter pledge to have a designated senior executive accountable for gender diversity, set internal gender diversity targets for senior management, publish annual progress against those targets and also have an intention to link compensation of the senior executive team to the targets.

We have set an initial goal to have 30 percent of our senior management roles in the Europe, Middle East and Africa region held by women by 2025. We are also working to create better gender balance by recruiting equal numbers of men and women into our graduate programs. More information about our Women in Finance Charter targets is available online.

EMPLOYEE NETWORK PROGRAM

89 North America

15 Latin America

35 Europe, Middle East and Africa

19 Asia Pacific

9 Black Heritage

9 disABILITY

7 Hispanic/Latino Heritage

5 Asian Heritage

9 Generations

Unconscious Bias Training

We expanded our Building an Inclusive Culture training, which aims to help 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, and the senior leadership team, including the CEO and HR, have also completed a separate in-person unconscious bias training, which we plan to expand virtually to all employees throughout 2018.

WOMEN IN TECH

The technology industry is among the many that exhibit a large gender gap in their employee base. Citi is working to increase female participation in technology and fintech by creating opportunities along the entire talent pipeline.

In 2017, nearly 100 Citi employees attended the Grace Hopper Celebration of Women in Computing conference, which drew more than 18,000 female technologists to learn from and inspire each other. Citi also had a prominent recruitment presence, to engage potential candidates at all career levels.

Head of Citi FinTech Yolande Piazza joined the UN Women's Global Innovation Coalition for Change, a group whose mission is to drive industrywide action to accelerate the achievement of gender equality and women's empowerment.

Our Jacksonville, Florida, Citi campus held its fourth annual Women in I.T. internship program, which aims to empower girls to learn about careers in technology. We invited 18 girls on the one-week experience to explore the technology industry in a hands-on learning environment.

Citi volunteers in Toronto serve as guest judges at Canada Learning Code's entrepreneurship camp for girls

For more information about Citi's work in technology, including how we create opportunities for women in tech, see the Digital Innovation section.

158
Total Employee Network Chapters

17
Citi Salutes

14
Parents

24
Pride

6
Multicultural

58
Citi Women

CASE STUDY

Communicating the Importance of Diversity

#TogetheratCiti

In mid-2017, our two-month-long #TogetheratCiti global campaign engaged hundreds of employees across Citi to share their experiences to strengthen our culture of inclusion and start a candid conversation about diversity. We received hundreds of responses from employees around the world, including the following:

An all-employee Q&A session with Citi's Affinity Leaders

Employees in Taiwan celebrate Pride Week with a panel discussion about creating an LGBT-friendly workplace

> ***Diversity is a melding of differences, ideas and cultures.***
>
> *It represents a coming together of people from all different backgrounds, socioeconomic statuses, sexual orientations and political preferences. It's a learning experience where everyone is challenged to check their privilege at the door, step outside of themselves and see things from a perspective other than their own.*
>
> **- Leah, North America**

> *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, Latin America**

> *Put simply, our teams must be as diverse as the clients we serve and the communities where we live and work.*
>
> **– Gavin, North America**

> *I pledge to support diversity by understanding others' customs, beliefs, ideas and creativity. Together we are not only stronger, but also more effective.*
>
> **– Ewa, Europe, Middle East and Africa**

Recruiting for Diversity

We are working to ensure that diversity is embraced throughout the hiring process at all levels of the organization. For managing director and director level hires, we are committed to diverse slates and aim to include at least one woman in our interviews and at least one woman or racial/ethnic minority in our interviews for U.S. hires. In 2017, 71 percent of 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 2017, 72 percent of managing director level hires were interviewed by a panel with at least one diverse member.

In the U.S., to further drive pay equity, several states have enacted laws prohibiting employers from asking prospective employees for their salary history as part of the recruiting process. Citi has not only met those requirements, but also no longer asks any prospective employees across all U.S. states and Puerto Rico for their salary history (including their bonus history).

Recruiting Technology and Innovation

The Citi Talent and Diversity, Human Capital Reporting and Analytics and Productivity teams worked together to create a holistic data dashboard that allows hiring teams and business leaders to take a data-driven, quantitative approach to hiring, retaining and promoting high performers from underrepresented groups at all levels. Whereas much of our diversity efforts were focused on director and managing director levels in the past, the new dashboard allows us to look at diversity gaps across the entire organization.

Campus Recruiting and the Next Generation

Campus recruiting is an important entry point into Citi for underrepresented groups. We continue to use an Early Identification Program for outstanding female and U.S. minority group talent through pre-interview mentor programs and accelerated interviews. Through the Early ID Program, the Citi Diversity Campus Recruiting team is able to focus on the best diverse talent for our Summer Analyst Program. For the 2017 analyst class, Citi hosted on-campus events in spring 2016 and began providing interview preparation and support in June. Thirty-seven students will be joining Citi in 2018 as summer analysts from that process.

We increased female representation in our campus programs to 40 percent in 2017. This representation rate beat our four-year average of 29 percent. We are also beginning to leverage new diversity sourcing platforms so that underrepresented minorities are more likely to be included in our talent recruitment process in the U.S.

Client and Supplier Diversity

The value of diversity to our business extends throughout the value chain, from our employees to our clients and our suppliers. Our workforce reflects the diverse clients and communities we serve. Our clients are deeply engaged in issues related to diversity, and we invite them to participate in activities related to our shared interest. For example, our annual International Women's Day events celebrate women and promote gender equality. In 2017, we hosted 238 related internal employee events in 100 cities across 75 countries. Additionally, we hosted a number of external events that drew over 1,500 clients.

We have targeted increased participation of women-owned businesses in the supply chain as a goal in the coming years. In 2017, we partnered with WEConnect International, a global organization dedicated to the advancement of women-owned businesses and a Citi partner since 2016, to procure an additional $100 million from women-owned businesses over the next three years, especially from firms located in developing markets.

The Citi Supplier Diversity Program was created to give maximum opportunity to diverse partners who meet our purchasing and contractual standards. The program works to

2017 WORKFORCE DIVERSITY HIGHLIGHTS

51% of our total employees globally 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)

CITI'S GLOBAL WORKFORCE

EMPLOYEES BY REGION

69,249
NORTH AMERICA

12,361	9,513
NEW EMPLOYEE HIRES (17.9% RATE)	EMPLOYEE TURNOVER (13.7% RATE)

28,138
EUROPE, MIDDLE EAST & AFRICA

4,770	3,316
NEW EMPLOYEE HIRES (17.0% RATE)	EMPLOYEE TURNOVER (11.8% RATE)

48,623
LATIN AMERICA

11,481	6,696
NEW EMPLOYEE HIRES (23.6% RATE)	EMPLOYEE TURNOVER (13.8% RATE)

63,193
ASIA PACIFIC

12,430	8,970
NEW EMPLOYEE HIRES (19.7% RATE)	EMPLOYEE TURNOVER (14.2% RATE)

Data as of December 31, 2017.

BY EMPLOYMENT TYPE

209,203
TOTAL WORKFORCE

205,961
FULL-TIME EMPLOYEES

3,242
PART-TIME EMPLOYEES

TOTAL

209,203
TOTAL EMPLOYEES

NEW EMPLOYEE HIRES	EMPLOYEE TURNOVER
41,042	28,585
(19.6% RATE)	(13.7% RATE)

BY GENDER

106,003
FEMALE

NEW EMPLOYEE HIRES	EMPLOYEE TURNOVER
20,308	14,772
(19.2% RATE)	(13.9% RATE)

103,200
MALE

NEW EMPLOYEE HIRES	EMPLOYEE TURNOVER
20,681	13,792
(20.0% RATE)	(13.4% RATE)

create mutually beneficial business relationships with diverse suppliers that strengthen the communities we serve and create value for our shareholders. For more information on our Supplier Diversity Program, see the Responsible Sourcing section of this report.

In 2017, we also received the *New York Law Journal*'s In-House Department of the Year Award for Diversity for the work Citi Legal has been doing to promote the diversity and inclusion agenda both at Citi and in the wider legal community, including our inaugural law firm Diversity and Inclusion Award. Through this award Citi recognizes one of our external law firm partners that demonstrates excellence among its peers through its efforts and achievements in furthering diversity and inclusion.

CITI'S COMPENSATION PHILOSOPHY

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

Fair Employment Practices

One of our most important strategic advantages at Citi is the wide range of cultures, backgrounds and perspectives that being in 160 countries brings to our work. 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

Citi takes pride in offering competitive salaries across the regions in which we operate. We design our compensation program based on our Compensation Philosophy, which outlines the five primary objectives that our program and structures aim to achieve. Our approach to compensation also 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.

2017 Consolidated U.S. Employer Information Report (EEO-1)*

Job Categories	White	Black or African American	Hispanic or Latino	Asian	American Indian or Alaskan Native	Native Hawaiian or Pacific Islander	Two or More Races	Females
Executive/Senior Managers	77.9%	1.8%	4.4%	12.4%	0.0%	1.8%	1.8%	**31.9%**
First/Mid-Level Managers	63.5%	5.4%	8.3%	17.3%	0.2%	0.1%	5.2%	**39.8%**
Professionals	54.3%	7.1%	7.6%	24.9%	0.2%	0.2%	5.6%	**41.8%**
Administrative Support	53.8%	16.4%	15.0%	5.6%	0.4%	0.3%	8.5%	**72.1%**
All Others	50.3%	6.8%	14.7%	18.2%	0.3%	0.2%	9.6%	**41.1%**
Totals	**55.4%**	**10.4%**	**11.1%**	**15.7%**	**0.3%**	**0.2%**	**6.9%**	**53.1%**

*Data on race/ethnicity may not sum to 100% due to rounding.

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. 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 its 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 to 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.

GLOBAL EMPLOYEE TRAINING BY REGION IN 2017

AVERAGE HOURS PER EMPLOYEE

ASIA PACIFIC	37.7
EUROPE, MIDDLE EAST AND AFRICA	37.7
LATIN AMERICA	44.5
NORTH AMERICA	47.8

Learning and Development

Citi employees have access to a range of career development and learning resources to enhance their ability to perform in current roles and prepare for future opportunities – with close to 40 percent of open positions filled internally in 2017. We continued to focus on enhancing our employee learning and development opportunities in 2017 by shifting to more flexible, cloud-based solutions. These digital platforms enable learning when, where and how it is most effective for employees, and we expanded program offerings in 2017. We also offer a range of internal development programs for leaders at all levels, and we continue to evolve those programs to meet new needs. 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 2017, all Citi employees received training.

Digital Learning Solutions

In 2017, Citi piloted a new third-party, online learning platform with more than 11,000 employees. Called Degreed, the platform allows employees to access and share a range of learning resources anytime, anywhere – from courses to videos to articles, on a host of subject areas. Degreed provides access to Citi's many learning libraries, including Udemy, one of the largest producers of education "how-to" videos offering a range of business courses developed by industry experts.

Internal Development Programs

Leadership training opportunities are offered across Citi to help support new hires and provide development opportunities to those already on the job.

In our Institutional Clients Group (ICG), the New Director Promotion Program takes new directors through an interactive business case seminar that seeks to highlight the qualities and responsibilities of successful Citi leaders. In 2017, over 270 new directors attended, and 98 percent of participants rated the program as "excellent" or "above average."

ICG also offers a Diversity Leadership Program, a six-month program for high-potential women and U.S. minority senior vice presidents and vice presidents to help build confidence, executive presence and strategic skills. To date, over 200 individuals have participated in the program. In addition, our Global Consumer Banking business runs three High Potential Accelerator Programs focused on developing future leaders. Since inception in 2011, 215 employees have participated in

VOICE OF THE EMPLOYEE

We survey our employees annually to gather critical input on trends in the workplace and management practices. This feedback informs important changes in company practices. In 2017, instead of one annual Voice of the Employee (VOE) survey, we piloted three shorter surveys throughout the year called VOE Pulse. This format gave Citi additional opportunities to hear from employees on issues such as employee engagement and diversity.

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.

We also measured sentiment about diversity. One of our diversity items on the survey — related to senior management support for diverse employees and ideas — increased to 80 percent in 2017.

In 2018, we will return to the traditional, once-per-year VOE survey format.

these programs. The Women in Risk Program, which was launched by our global Risk group in 2011, has also been 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. Additionally, in 2017, the Finance group launched its inaugural 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 Citi Women's Leadership Development Program is also offered to high-performing female directors from around the world. To date, the program, which offers four days of networking and learning opportunities, has impacted more than 700 female leaders around the world. In 2017, the program began to integrate more peer coaching and exposure to senior Citi leaders.

Employee Evaluations

Citi provides ongoing feedback and support for employees as an important part of the career development process. Employees receive formal feedback from their managers through mid-year and year-end reviews. In 2017, we enhanced our year-end performance review process to include a two-rating system to increase emphasis on and further incorporate the Leadership Standards, in an effort to increase transparency around leadership coaching and feedback. This shift reflects the increased importance of individual leadership within the company to best serve our clients.

Some employees also have the opportunity to receive multi-perspective feedback (MPF) surveys from direct reports, peers, partners and other co-workers. Previously, MPF surveys were provided only to senior vice presidents and above; in 2017, we expanded the MPF process to include all people managers. About 46,000 employees (90 percent of those eligible) participated in the program last year. In addition, approximately 4,000 managers who participated in training programs received a 360-degree performance review, which is designed to help these individuals identify opportunities for development. The goal of both the MPF and the 360-degree reviews is to provide a more holistic view of each participant's strengths and development opportunities, to improve their overall effectiveness at Citi.

SUMMARY OF TRAINING HOURS

Training Type	2012	2013	2014	2015	2016	2017
Instructor-Led	5.2M	5.8M	5.6M	5.7M	5.0M	3.7M
Web-Based	5.3M	5.1M	5.0M	4.8M	4.8M	5.1M
Total	10.6M	11.2M	10.8M	10.5M	9.9M	8.9M
Training Hours/Employee	40	44	45	46	45	43

Workforce Well-Being

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

Work/Life Balance

There are several Citi programs that help employees balance their work and life. We embrace a culture of flexible work with both formal and informal flexible work arrangements – providing options for how, when and where our employees work – that contribute to employee satisfaction and retention while also increasing productivity. In addition, our Work/Life Program provides assistance with every day challenges such as child care concerns, legal advice and dealing with identify theft.

We also offer a range of health and wellness programs to encourage a strong work/life balance. Our Live Well Program promotes a culture of physical and mental health and well-being among our employees. We sponsor three global campaigns: Heart Health, Resilience and the Fitness Challenge. Each of these campaigns is aligned with the four pillars of the Live Well Program – healthy nutrition and exercise, health risk reduction, work/life balance and the importance of mental well-being, and a tobacco-free lifestyle. For example, in 2017, the Global Resilience campaign focused on the importance of healthy sleep for physical and mental well-being.

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. We also offer a Health Advocate program, separate from insurance programs, to aid employees in resolving insurance claims, accessing medical specialists and addressing their health needs and those of their families. Our Save Well plans guide our employees in building financial stability and saving for retirement, and we offer a tuition reimbursement plan for those going back to school.

CITI FITNESS CHALLENGE SETS A NEW RECORD

The annual Citi Fitness Challenge encourages our employees around the world to get moving. In 2017, more than 15,000 employees in 95 countries logged nearly 138,000 hours of physical activity over six weeks, breaking Citi's previous record. Our colleagues around the world all participated in their own unique ways, including friendly competitions in the UK and Thailand, bike breaks in Mexico and yoga in Japan.

PROMOTING MENTAL HEALTH AT CITI

The topic of mental health is often overlooked in discussions of well-being. But it's an issue of increasing importance in financial services, where long hours and a high-pressure environment, together with the normal demands of life, can strain many employees.

In the UK, Citi launched the Minds at Citi campaign, which is working to destigmatize the topic with the help of internal videos featuring employees talking about their own challenges with mental health. To mark World Mental Health Day on October 10th, we announced that a mental well-being nurse will be permanently on site at our London office to help employees in need. The initiative will increase access to counseling services for busy employees. We also used World Mental Health Day as an opportunity to share the Minds at Citi campaign and its key messages in 15 other countries across our Europe, Middle East and Africa region as well as Australia and New Zealand.

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. For example, for our U.S. workforce, we provide paid pregnancy and parental bonding leaves, which provide job protection above and beyond the requirements of the federal Family and Medical Leave Act. Negotiated rates are also available for dependent care. 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 navigating the post-secondary education admissions process.

Volunteerism

Mobilizing our human capital is central to our goals of creating shared value and supporting communities where individuals and families can thrive. We provide our employees with the resources and tools to engage in meaningful volunteer opportunities in the communities in which they live and work.

In 2017, Citi employee volunteers contributed over 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, we piloted the Citi Skills Sprint at Kingsborough Community College in New York, where Citi employees helped students map out their academic and career paths. Visit the Pathways to Progress section to learn more about how our employees are helping Citi and the Citi Foundation fulfill our commitment to support the career readiness of young people.

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 2017, more than 100,000 volunteers participated in events held in more than 500 cities across 91 countries.

CHAMPIONING COMMUNITY ORGANIZATIONS IN INDIA

Since 2015, Citi India has implemented the Corporate Social Responsibility (CSR) Champions program to encourage a culture of leadership through volunteering. Senior leaders are paired with local nonprofit partners across India to raise awareness within Citi of the nonprofit organizations' efforts and to use their knowledge, expertise and leadership to help each organization reach its goals and deepen its impact. CSR Champions advise nonprofits on steps to improve their organizations, providing guidance on topics such as governance, financial planning and process improvement, and on strategies for improving programming. Additionally, CSR Champions partner with Citi colleagues to evaluate our relationship with each organization and provide recommendations on deepening engagement. Through these relationships, Citi India senior leaders model a culture of leadership and encourage employees to live our values.

Citi India CSR Champions with Citi senior leaders

SERVICE AND SKILLS

Engaging with the communities where we live and work is vital to our business success. It's also a valuable employee development and retention tool. In a survey of our summer analysts, almost 75 percent indicated that they want to work for a firm whose values aligned with their own and that provides opportunities to volunteer. In response to what we've heard from our junior bankers, we've evolved our volunteerism offerings to include more immersive experiences, including Volunteer Africa and Service Year. We believe these experiences enable our junior bankers to become better professionals and more well-rounded individuals.

Launched in 2016, Volunteer Africa is an initiative that connects microentrepreneurs in Africa with Citi employee volunteers from select global ICG businesses. In 2017, 24 junior bankers spent five weeks in Uganda applying their professional knowledge and skills to benefit a group of 16 entrepreneurs. The goal of the program is to help grow the 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.

Service Year, an innovative program established by Citi in 2016 for New York City-based employees, offers selected university graduates who have accepted a full-time offer with Citi the opportunity to defer that offer for one-year

Citi volunteers, employees and community partners, as part of the 2017 Volunteer Africa program

to work in a strategic role at a nonprofit of their choice. With a guaranteed return to Citi after their year of service, participants come away with valuable leadership skills and fulfilling community service experiences, and the nonprofits benefit from the skills and expertise of some of our best and brightest. Given the success of the program thus far, we hope to expand the initiative to additional cities in the coming year.

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. At the start of 2018, Citi signed on to the CEO Action for Diversity & Inclusion (CEO Action), joining more than 350 CEOs and presidents committed to driving policy changes and practices in their companies that help increase diversity, including the widespread availability of unconscious bias training, which is now being rolled out to all Citi employees in 2018.

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.

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. 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.

To ensure human rights considerations are taken into account across our business, we conduct human rights risk analysis and due diligence and regularly engage stakeholders on this topic. We have also established policies and standards, including our Statement on Human Rights, to 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.

Our Commitment to Respect Human Rights

Citi engages 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. We are committed to respecting human rights wherever we do business, regardless of the degree to which governments are upholding their duties to protect, respect and fulfill human rights.

This marks the second year we have prepared our Global Citizenship Report in accordance with the UN Guiding Principles Reporting Framework, which was released in 2015 (see Index).

Governance, Policy Development and Updates

Citi regularly updates our policies and practices to strengthen our human rights due diligence. During the development of our Statement on Human Rights, which we adopted in 2007 and last updated in 2014, we conducted broad-based internal and external stakeholder engagement to help assess our human rights impacts and identify salient issues that impact our employees, supply chain, clients and the communities where we do business globally. 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.

GRI INDICATOR: 102-44

In addition to our formal Statement on Human Rights, Citi's Environmental and Social Risk Management (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. In 2017, we updated our ESRM Policy and due diligence practices in response to the lessons we learned from financing the Dakota Access Pipeline (DAPL) – especially regarding the consultation of Indigenous Peoples in relation to a project's impact on land or cultural heritage. In addition to our involvement with DAPL, we consulted external human rights experts and conducted extensive stakeholder engagement to inform the policy update, which has prepared us to better identify potential adverse impacts to Indigenous Peoples affected by projects we finance and to engage our clients on the mitigation and management of those impacts. For more information about the changes to our ESRM Policy, see the Environmental and Social Risk Management section.

Our Salient Human Rights Risks

Human rights has emerged as one of our most material citizenship issues in recent years. However, concern for human rights is not new to Citi, and we have spent more than a decade working on the most salient human rights risks for our company – those related to our business or the activities of our clients and other business partners that pose the greatest risks to people.

We evaluate human rights risks that could arise across our value chain, including in our operations and in our clients' operations, ranging from data protection and privacy to discrimination in lending. However, we have determined that our most salient human rights risks are those related to our financing of client activities that might impact people in local communities, including workers and vulnerable groups. 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. 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.

GRI INDICATOR: 102-41

The salient issues we routinely screen for in financed activities covered by our ESRM Policy include risks to Indigenous Peoples' rights; labor violations, such as forced labor and human trafficking or child labor; resettlement of project-impacted local communities; and concerns for how project sponsors engage public or private security forces around project sites. (See page 49 for more about how we manage these risks.)

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 trainings. 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 suppliers, clients and community partners globally.

Diversity and inclusion are of particular concern, especially in countries where there is no legal protection against discrimination based on characteristics such as gender, gender identity, race, ethnicity, age or sexual orientation. Although diversity and inclusion issues are not always discussed in terms of human rights, they are essential to human dignity, which human rights aim to protect. Championing diversity and inclusion not only aligns with our core values, it is also vital to our business success. 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 antidiscrimination laws exist, there is still a need for companies to ensure they are doing their part to respect individual rights.

To put our values into action, during 2017, we made online unconscious bias training available to all employees, expanding on the pilot we initially deployed in 2016. The training has been completed by more than 80 percent of our employees. In signing the UK Women in Finance Charter, we established a goal to have 30 percent of senior management roles in our Europe, Middle East and Africa region held by women by 2025. For more information on our diversity and workforce initiatives, see the Talent and Diversity section.

We work to provide a respectful and inclusive work environment, and we investigate and take action on all violations. For instances where our employees feel aggrieved or have

concerns about the company's treatment of them or others, we encourage them 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.

Extending Respect for Human Rights Through Our Suppliers and Partners

Nondiscrimination policies also 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, nor do we work with suppliers that violate our policies.

In addition, our suppliers must 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. Our CRQ for the Europe, Middle East and Africa region includes questions specific to modern slavery concerns, and during 2017, we implemented those questions in the CRQ for other regions as well.

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.

Respecting Human Rights in Our Financing Decisions

The decisions we make about what to finance can have a bigger impact on human rights than anything else we do. The challenge to effectively evaluate 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 touched by the projects we finance.

In some situations, we are well positioned to avoid causing or contributing to adverse human rights impacts or to avoid entering into business relationships that are linked to human rights concerns. For example, our anti-money laundering efforts 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.

In other situations, however, the link between our financial services and potential human rights impacts is more complex and less clear. The complexity leaves us with less leverage and 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. If proactive management of identified human rights risks is not possible, we might deny financing or involvement in a particular transaction. Or, if a client's overall track record and relative commitment to improvement does not meet our standards, we will sometimes re-evaluate the client relationship — a move we take very seriously as we recognize that terminating the relationship removes any leverage we might otherwise have had to improve practices over time through constructive engagement. For example, in 2017 we exited one client relationship in the palm oil sector because of the client's unwillingness to comply with our standard for the sector, which requires certification by the Roundtable on Sustainable Palm Oil.

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 UN Guiding Principles of identifying general areas where the risk of adverse human rights impact is most significant from the perspective of people who could be affected. We regularly evaluate and, when needed, enhance our due diligence requirements to ensure that the clients that pose the most significant human rights risks are managing and mitigating those risks in line with international best practices.

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. In addition, for certain qualifying projects, we apply the Equator Principles (EP) to assess and manage environmental and social risks. The EP framework helps financial institutions define processes and standards for stakeholder engagement, including mechanisms for affected communities to address grievances proactively with project sponsors.

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 and local communities. Our policy prohibits financing any clients or projects involved in forced labor, child labor or human trafficking. In addition, the policy covers Areas of High Caution — heightened environmental and social risks that require closer due diligence and heightened risk management. These areas overlap with our most salient human rights risks and include the following:

- **Indigenous Peoples**: Various concerns arise around the extent to which indigenous communities have been consulted during project development and have consented to impacts to their land, livelihoods 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**: 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**: Security concerns have been identified relating to how project sponsors engage with public or private security forces protecting project sites. 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 decline involvement in the transaction.

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 2017, the ESRM team screened 328 total transactions during the initial marketing phase, and of those, 27 were flagged as requiring additional due diligence for human rights risks. This screening does not include other human rights risk assessments the ESRM team does as part of annual client reviews or portfolio reviews. The specific types of risks we uncovered are outlined in the table below. Of the 25 transactions flagged for additional human rights due diligence, 14 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.

Examples of transactions flagged for further review include a project loan to finance construction of a new mine in Latin America that neighbors indigenous communities and an export credit loan for an infrastructure project in Asia with resettlement impacts.

Citi engages with NGOs to communicate about our processes and invite feedback. 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 2017, we did respond both informally and in writing to several inquiries related to client activities from NGOs such as BankTrack, Friends of the Earth and the Business and Human Rights Resource Centre, and we encouraged our clients to do the same (see case study on the following page).

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.

IDENTIFYING HUMAN RIGHTS RISKS IN TRANSACTIONS

Human Rights Risk	Risk(s) Identified Requiring Additional Human Rights Due Diligence*	Transactions that Closed After Risk Review
Indigenous Peoples	16	7
Labor	3	1
Resettlement	10	6
Security Practices	1	1
Water	5	4
Other	2	1

* There were 27 transactions requiring additional human rights due diligence in 2017. Of those, 14 closed after risk review. In this table, one transaction may be reported under more than one human rights risk.

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, companies must follow up on allegations and have established processes to offer remedies or cooperate with authorities to make sure effective remedy is provided. In 2017, we worked to enhance access to remedy in the following ways:

- **Indigenous Peoples**: We updated our ESRM Policy related to the consultation of Indigenous Peoples to account for gaps between the legal requirements in developed countries and international human rights norms. Through our updated approach, we hope to assist our clients in enhancing their engagement of Indigenous Peoples to ensure that the right of free, prior and informed consent is more robustly and universally respected when project impacts require it.
- **Roundtable on Sustainable Palm Oil (RSPO)**: The palm oil sector faces systemic human rights risk, and our leverage with any one palm oil client can be limited. We are able to tackle this risk more broadly as a member of the financial institutions task force of the RSPO complaints body. Recently, we helped upgrade the labor provisions of the RSPO standard and trained other member companies on various labor risks in the sector, with the goal of improving overall access to remedy for people working on palm oil plantations around the world.
- **Migrant Labor**: Citi helped finance the construction of an infrastructure project in the Middle East that is bringing a projected influx of approximately 100,000 migrant workers into a region known for human trafficking-related risks. We anticipated that, because of the scale of the workforce, traditional methods for lodging grievances would not be adequate. In response, we recommended that our client, the project sponsor, expand beyond traditional consultant audits and basic worker hotlines to use cutting-edge technology to create a mechanism capable of receiving grievances from the massive construction workforce of this project. The client agreed to implement this technology, which will enable them to better monitor subcontractor management and respond to emerging issues, from minor complaints to more serious grievances.

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 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.

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

Continuous Learning and Improvement

Continuous learning and engagement with other companies, stakeholders and experts in the field of human rights is a key component of our approach to respecting human rights. Our work in 2017 to update our ESRM Policy, in response to what we learned through our experience with DAPL and the extensive stakeholder engagement we undertook as part of that policy update, is one example of our commitment to ongoing engagement with stakeholders and subsequent improvement of our policies and processes.

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. Specific examples during 2017 included:

- Meetings with an NGO about its work to combat financial corruption and related human rights abuses in the Great Lakes region of Africa. Members of Citi's Sustainability, Anti-Money Laundering and Sanctions teams met with the organization, along with other banks, for briefings about its investigative research into persons of interest who are alleged to have carried out human rights abuses in their countries and their attempts to finance this work or hide illicit proceeds through networks of related companies and the global financial system.
- Engagement with the Institute for Human Rights and Business related to concerns about the use of artificial intelligence, data and automation.
- Engagement with a coalition of organizations assembled by the Business and Human Rights Resource Centre regarding rising threats to human rights defenders.

In addition, we pay close attention to human rights issues raised by stakeholders within specific industries, such as forestry and palm oil. We actively engage with these industries directly through client relationships, stakeholder meetings and active participation in groups such as the 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.

During 2017, we also continued our participation in Shift's Business Learning Program. Shift is a nonprofit organization that engages with companies, governments, civil society and other actors to build capacity and provide guidance and expertise related to implementation of the UN Guiding Principles. Through our participation in the Business Learning Program, we collaborate with other companies to understand how they are bringing the UN Guiding Principles to life for their businesses. Given the broad range of sectors represented, this strengthens our capacity to advise our clients, especially when we have identified gaps between a client's current human rights performance and best practices. Clients with identified gaps may be working toward completion of an Environmental and Social Action Plan to fill those gaps. See the Environmental and Social Risk Management section for more information about these action plans.

Employee Human Rights Training

We provide training to our employees on various human rights issues, from discrimination in the workplace to identifying potential risks in financial transactions. In 2017, we began training our supply chain management employees about the unique challenge of identifying and addressing risks of modern slavery (see page 53).

CITI'S RESPONSE TO THE UK MODERN SLAVERY ACT

In accordance with the UN Guiding Principles' call for businesses to communicate how they are addressing their most severe actual or potential human rights impacts, and in response to the requirements of the UK Modern Slavery Act, we released our first UK Modern Slavery Act transparency statement in June 2017. The statement summarizes our approach to eradicating modern slavery in our operations and supply chain, including information about our governance and policies related to modern slavery, risk assessment and due diligence processes, and training. Since issuing our first 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.

During 2016, we conducted in-person training and awareness sessions for key employees within our EMEA Enterprise Supply Chain Sourcing and Third Party Management teams in the Europe, Middle East and Africa region, to improve understanding and communicate the actions that those employees can take to help Citi tackle the risk of modern slavery in our supply chain. In 2017, we conducted similar sessions for relevant EMEA Human Resources teams in the region and are working on rolling out trainings to other regions.

We also continue to integrate the issue of modern slavery into risk assessments for suppliers and the various sectors we finance. Among other changes, our Supplier Standards now expressly prohibit the charging of recruitment fees to workers, and our ESRM Policy now includes a focus on human trafficking in addition to our existing emphasis on forced and child labor. Our next UK Modern Slavery Act transparency statement will be released in 2018.

These activities and related requirements in our Supplier Standards and ESRM policies show 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 SPOTLIGHT: GOAL 8
Decent Work and Economic Growth

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

Large energy, infrastructure and extractive projects carry the potential for environmental and human rights impacts. At the same time, there is increased attention globally on social and environmental justice issues, especially as they relate to climate change, creating both an expectation and an opportunity for sustainable finance. At Citi, 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.

Environmental and Social Risk Management (ESRM) is one pillar of our Sustainable Progress Strategy,[5] and our ESRM-related activities and policy help us and our clients navigate a constantly evolving risk landscape and make responsible decisions.

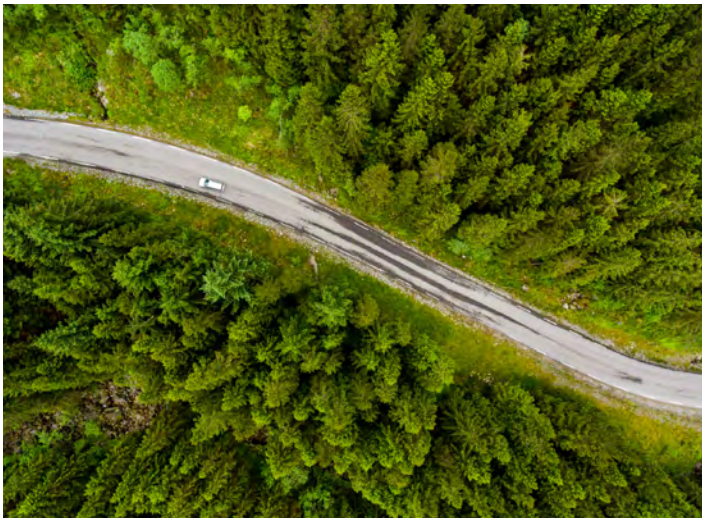
Our ESRM Policy

Citi finances billions of dollars in transactions with a wide variety of companies 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, during annual company reviews and when assessing entire portfolios.

Our ESRM Policy, summarized in our Environmental and Social Policy Framework, is the foundation of our risk assessment process. The policy covers a broad scope of financial products and sets standards for how we assess client impacts on local communities, labor, climate change, biodiversity, air quality, water quality 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, in 2017, we updated the Areas of High Caution related to Indigenous Peoples and human rights in our ESRM Policy in response to what we learned as one of the banks that financed the Dakota Access Pipeline (DAPL). In accordance with the Equator Principles, we assess project risks against applicable standards — either national law in high-income OECD countries, or the Environmental and Social Performance Standards and Environmental, Health and Safety Guidelines of the International Finance Corporation (IFC) for projects in emerging markets. Since DAPL is located in the U.S., we referred to U.S. regulations and permitting processes during our initial assessment of the project. However, as Native American opposition to the project grew, our deeper dive into the issue made it clear that international standards for consultation with Indigenous Peoples had evolved beyond U.S. law, creating a gap in expectations. DAPL lenders engaged a human rights expert to further elucidate this gap and develop recommendations for how banks can work with U.S. clients to go beyond minimum legal compliance in their engagement with Native Americans. We updated our ESRM Policy to clarify the need to exceed the requirements of national law, even in high-income OECD countries, to align with international best

[5] For performance against our Sustainable Progress Scorecard, please see the Appendices of this report.



practices for consultation with Indigenous Peoples. The policy updates also include a new Area of High Caution for projects with certain elevated human rights risks, such as large migrant labor forces or significant vulnerable populations in project-affected areas.

We are proud to have been among the first to identify the need for change and to have taken quick and decisive steps in that direction. Human rights is a material citizenship issue for our company, and protection of Indigenous Peoples is a human rights priority. The changes to our ESRM Policy demonstrate our commitment in this area.

To accompany our ESRM Policy update, we developed additional internal guidance for use by our Banking and Risk teams. This guidance includes questions and reference materials to help identify aspects of host country laws, project sponsor policies and project characteristics that might indicate a potential high risk related to Indigenous Peoples or human rights. When developing this guidance we referred to First Peoples Worldwide's *Indigenous Rights Risk Report* as well as Foley Hoag's *Good Practice for Managing the Social Impacts of Oil Pipelines in the United States.* The new internal guidance will assist us in identifying projects that may require independent review by a qualified social expert or, in some cases, projects we should avoid due to their heightened social risks. The updated policy and guidance are already being implemented and have led to changes in our approach to client due diligence and business selection. For example, Citi declined to participate in two transactions in high-income OECD countries during 2017 due to Indigenous Peoples risks.

GRI INDICATOR: 102-44

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 to help spot potential risks. For instance, ESRM Champions — credit risk officers who have expertise in regional and product-related ESRM issues — provide important regional insight that improves our ability to make responsible lending decisions. 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.

For example, our ESRM Champion in Southeast Asia presented at a sustainable marine finance seminar, hosted by World Wildlife Fund and the Stock Exchange of Thailand, for banks and companies in the seafood industry. Citi participated in a panel discussion about sustainable seafood supply chains, addressing the policies of Thailand-based fisheries and strategies for resolving labor issues. Our ESRM Champion in Brazil has been working closely with the Brazilian financial authorities and regional bankers to develop a greenhouse gas disclosure framework and update the tools and resources we use to identify, measure, mitigate and manage environmental and social risks in the Brazilian market in line with the local central bank's environmental and social regulation. Meanwhile our Champions across geographies work closely with our key internal banking divisions to screen transactions and train teams on our ESRM Policy and how and why we address environmental and social risks at Citi.

Citi's ESRM team categorizes the project-related transactions they review as A, B or C with A indicating the highest risk. General corporate transactions are categorized as GR (general review). The categorization is based on the magnitude of potential adverse social and environmental impacts associated with the project. For general reviews, we evaluate a client's environmental and social policies and performance, as well as their commitment and capacity to manage environmental and social issues. Our ESRM Policy helps us ensure responsible financing of projects while managing and minimizing impacts and effectively engaging our clients on sustainability best practices.

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. The application of 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, visit our Environmental and Social Policies and Standards webpage and our Environmental and Social Policy Framework.

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.

Monitoring the Changing Risk Landscape

The ESRM team uses a number of methods to proactively scan the changing risk landscape 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. Using a systematic, data-driven approach, we're able to flag emerging issues of concern, fine-tune our risk management, raise awareness within Citi about new issue areas to watch, shore up our approach to specific sectors, update policies if warranted and provide advice to our clients.

In 2017, we flagged labor welfare as a growing concern that is receiving increased attention. As a result, we conducted research and engaged our clients to explore new technologies that might help them track and monitor labor welfare among their employees, thereby increasing transparency to lenders regarding compliance with social requirements in loan agreements. We also organized and led a webinar series with the Roundtable on Sustainable Palm Oil focused on labor welfare on palm oil plantations in Malaysia and Indonesia.

Our risk monitoring feeds into our ESRM Watchlist process, rolled out in 2017, through which we flag individual companies based on their track records, sensitive or controversial assets, third-party analyst scores and/or negative news. Banking relationship managers are proactively notified of their clients' ESRM Watchlist status. Once a client is flagged, ESRM specialists review any potential transactions for these clients (including general corporate purposes transactions) and identify opportunities for client engagement to understand what steps these clients are taking to address challenges and implement improved practices where needed.

CASE STUDY

Working Toward a More Sustainable, Transparent Palm Oil Industry

Citi is a member of the Roundtable on Sustainable Palm Oil (RSPO), a multi-stakeholder initiative that includes palm oil producers, sellers, traders, retailers, financiers and environmental and social NGOs. Citi requires that all of our clients with business in the palm oil sector become members of the RSPO and, as such, abide by the organization's principles and criteria regarding sustainable palm oil. These principles include commitments to conserving critical habitat, sustainable growing techniques, establishing fair treatment and pay for workers, and ensuring that neighboring communities have the right to free, prior and informed consent and fair compensation for any use of their private or communal lands.

In 2016, we collaborated with the RSPO on fire prevention and management, encouraging palm producers to share maps of their concession areas to create more transparency and accountability with regard to fire and deforestation. As part of our Palm Oil Sector Standard annual review process, we requested that clients provide descriptions of fire responses, prevention and management plans. During 2017, our clients demonstrated significantly improved fire prevention and management policies and practices.

To advance even more progress in this area, Citi attends workshops and accepts invitations to public speaking events to further engage clients and the RSPO, encourage the public disclosure of plantation concession maps, and demonstrate the value of remote sensing, improved deforestation and fire tracking tools. We are seeing progress. During 2017, Indonesia allowed the distribution of concession maps, and the RSPO has issued a call for all members to share maps with the organization.

Climate-Related Risk

The numerous natural disasters around the world in 2017 — from wildfires to floods to hurricanes — led to widespread damage as well as economic and social costs. These natural disasters are stark reminders of the serious risks that climate change poses. As global temperatures rise, we are seeing rising sea levels, more extreme weather and growth in the frequency and severity of natural disasters. These changes are expected to affect nearly all sectors. 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 Scenario Analysis

Risk management is a core pillar of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We have highlighted our thorough environmental and social risk management processes in this report and described how consideration of environmental and social issues, including climate change, are embedded in our decision-making around what to finance. We continue to enhance these processes to account for emerging risks, including climate-related risks, and will continue to transparently report on our ESRM efforts.

Building on this work, we are partnering 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: 1.5°C, 2°C and 4°C. As part of this pilot project, we are currently assessing both the potential physical risks of climate change and the transition risks that will arise from changing policies and technologies for a segment of our energy and transport portfolios. We will use the learnings from this project to develop better tools, models and metrics to monitor and measure the impacts of climate change on our portfolio and adapt our Risk processes and business strategies as needed to ensure we are appropriately incorporating climate risks in our financing decisions.

For further details on where content that directly relates to the TCFD recommendations can be found throughout the report, see the TCFD Index.

Stranded Assets Analysis

One important area of climate risk analysis is related to stranded asset risks, which is the potential for assets to lose value if they are deemed uneconomic because of a price on carbon or similar policy tool. Financial institutions are paying more attention to stranded asset risk, especially the potential for assets to lose value as a result of unburnable carbon. As the world transitions toward low-carbon solutions, fossil fuel industries may face lower earnings and increased costs. Clients in carbon-intensive sectors could receive downgraded credit ratings and become higher credit risks. To date through our own analysis we have found that larger companies would not be significantly affected in their ability to repay loans, but smaller service providers could be at risk if the price of oil continues to remain low and regulatory risks are not carefully managed. We expect issues regarding unburnable carbon and the related stranded assets to remain significant for our clients, especially in light of the Nationally Determined Contributions under the Paris Agreement, which provide clear signals about countries' plans to combat climate change.

In our ongoing assessment of risks related to climate change, we have identified the following estimated timeframes for potential impact.

Risk	Estimated Timeframe of Impact	Likelihood
Changes in precipitation extremes and droughts	Unknown	High
Increase in tropical cyclones (hurricanes and typhoons)	Immediate	Virtually certain
Stranded assets	3–5 years	About as likely as not

Citi recently collaborated with Cambridge University on a project to analyze potential stranded assets in the energy sector. The project examined the implementation of a carbon tax to curb emissions and evaluated the likelihood for upstream oil and gas assets to become stranded as a result, and the consequences for companies' valuation and cash flow. We will continue this work, enhancing the granularity and scope of the analysis and considering alternatives to the carbon tax as a mechanism to curb emissions. This research is an important input into Citi's decision-making related to our energy portfolio.

Water scarcity is another risk that can strand assets. In our 2016 Citizenship Report, we discussed Citi's test of the Natural Capital Finance Alliance's drought stress testing tool to understand how drought affects our credit portfolio. The pilot process developed five drought scenarios for four different countries, gathering information about Citi's portfolio of clients that would be impacted under each scenario. The exercise revealed a number of data gaps that need to be filled to provide a more rigorous analysis and understanding of drought risk. It also illustrated the significant variation in each country's vulnerability. In 2017 the Alliance released a summary report that provides further information about the tool and high-level findings.

Reducing Credit Exposure to Coal

Coal mining is one industry affected by the shift away from fossil fuels and toward low-carbon solutions. In 2016, we updated our Coal Mining Standard to include additional due diligence, and implementing this policy remained a focus for us in 2017. We have committed to reducing our credit exposure to this industry over time, an effort that 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 our commitment to credit exposure reduction, we have reduced and are actively measuring and tracking our credit exposure, which is reviewed by senior management in our businesses as well as our Risk and Public Affairs functions. Implementation of this policy has led to more selectivity, in some cases leading us to decline onboarding of new coal mining clients.

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. We guide our bankers through screening for environmental and social risks and conduct interactive case studies. During 2017, we conducted ESRM training for 519 Citi employees.

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.

2017 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.

GR **General Review** – Use of proceeds are directed to multiple projects with varying risk levels

Funded EP Project Finance Loans

0 Category A

5 Category B

0 Category C

TOTAL = 5

Funded EP Project-Related Corporate and Bridge Loans

1 Category A

4 Category B

0 Category C

TOTAL = 5

Citi had no EP Project Finance Advisories in 2017.

Funded Project Finance Loans Breakdown

By Sector	A	B	C	Total
Infrastructure	-	1	-	1
Power - Gas	-	3	-	3
Power - Wind	-	1	-	1
By Region	**A**	**B**	**C**	**Total**
Asia and the Pacific	-	-	-	0
Europe	-	-	-	0
Latin America	-	2	-	2
Middle East and Africa	-	-	-	0
U.S. and Canada	-	3	-	3
By Country Designation	**A**	**B**	**C**	**Total**
Designated*	-	3	-	3
Nondesignated**	-	2	-	2
By Independent Review	**A**	**B**	**C**	**Total**
Yes	-	5	-	5
No	-	-	-	0

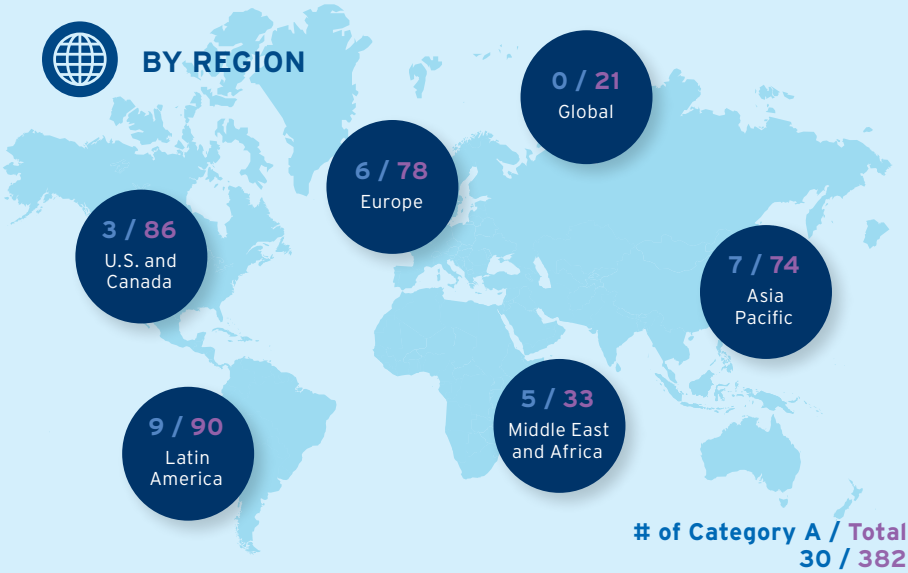
Funded Project-Related Corporate and Bridge Loans Breakdown

By Sector	A	B	C	Total
Manufacturing	1	3	-	4
Infrastructure	-	1	-	1
By Region	**A**	**B**	**C**	**Total**
Asia and the Pacific	1	1	-	2
Europe	-	-	-	0
Latin America	-	1	-	1
Middle East and Africa	-	2	-	2
U.S. and Canada	-	-	-	0
By Country Designation	**A**	**B**	**C**	**Total**
Designated*	-	-	-	0
Nondesignated**	1	4	-	5
By Independent Review	**A**	**B**	**C**	**Total**
Yes	1	3	-	4
No	-	1	-	1

*Designated Countries as defined by the Equator Principles are high-income OECD countries. See the Equator Principles website for more information.
**Nondesignated Countries as defined by the Equator Principles are all non-OECD countries and all OECD countries not designated as high income.

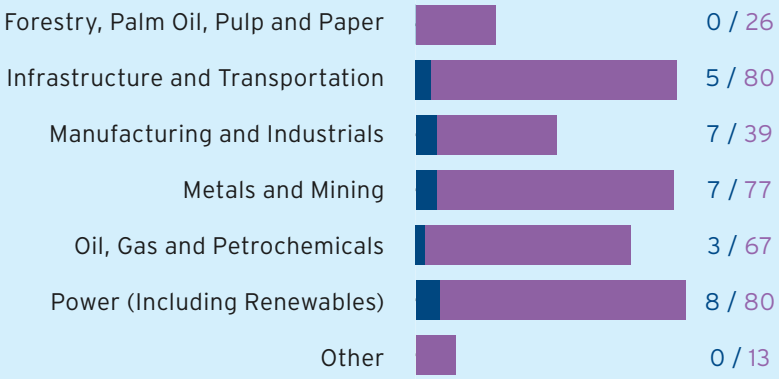
TRANSACTIONS RECEIVING ESRM REVIEW

BY REGION



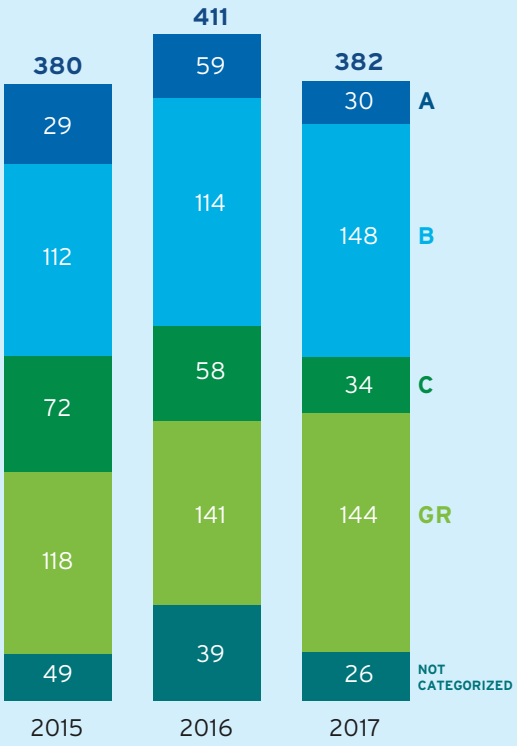
# of Category A / Total
30 / 382

BY SECTOR



BY PRODUCT TYPE

Total Transactions Receiving ESRM Review



For more information on our ESRM Policy, including how we categorize loans, visit our Environmental and Social Policy Framework.

Citi received external assurance of our Equator Principles data from SGS. For our SGS Assurance Statement, see the Assurance section.

Operations and Supply Chain

Citi's global operations and supply chain — comprising thousands of suppliers and a presence in nearly 100 countries and jurisdictions — present an enormous opportunity for positive impact on the communities where we live and work. From increasing supplier diversity, including with women- and minority-owned businesses, to minimizing the environmental effects of our footprint, we work to manage these areas responsibly and efficiently. For this reason Operations and Supply Chain is one of the pillars of our Sustainable Progress Strategy.[6]

Resource Use and Environmental Impacts

We embrace our responsibility to minimize our global footprint, setting goals to address the environmental impacts of our operations, including a new goal to source renewable energy for all of our energy needs by 2020. We also recognize the interconnectedness of environmental sustainability and employee well-being and continue to look for ways to advance progress in these areas.

2020 Goals

As part of our Sustainable Progress Strategy, we set ambitious goals to reduce our environmental impact. We began reporting on our direct environmental impacts related to our operations in 2002, and are now in our third generation of goal setting with 2020 goals first announced in 2015.

Our operational goals cover energy use, water consumption, recycling, waste and green building. To achieve our greenhouse gas (GHG) emissions goals, we have been setting absolute targets in five-year increments and tracking annual performance. In 2017, we took our commitment even further and announced a new goal use 100 percent renewable energy to power Citi's facilities globally by 2020. We own or lease over 55 million square feet of real estate in nearly 100 countries, consisting of more than 7,700 properties. To meet this ambitious goal, we will consider on-site power generation, power purchase agreements and appropriate use of renewable energy credits, as well as continuing to focus on energy efficiency. In connection with this commitment, we have joined RE100 — a global initiative led by The Climate Group and CDP, which are both part of the We Mean Business coalition.

During 2017, we made positive gains toward our 2020 goals in all areas. We reduced our carbon emissions, energy use and water consumption, while continuing to surpass our waste diversion goal. Our 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.

[6] For performance against our Sustainable Progress Scorecard, please see the Appendices of this report.

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%

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%

Transparent Reporting of Operational Climate Impacts

Citi reports our Scope 1, Scope 2 and Scope 3 GHG emissions in both our 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 CO_2 emissions from employee air and train travel and project-financed thermal power plants in our Citizenship Report, and Scope 3 electricity transmission loss and employee commuting data to CDP. In 2017, Citi received a score of A- on our climate change impact reporting for 2016 data.

Disclosure of Scope 1, Scope 2 and Scope 3 GHG emissions is also a component of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), under metrics and targets. As we continue to assess climate-related risks and opportunities, we will also determine whether additional targets and metrics are needed, beyond those we currently report, to manage, measure and track our performance. For more information about the TCFD and our related reporting, see the TCFD Index.

Sustainable Building Principles at Work

The renovation of our global headquarters in New York, for which we plan to seek LEED Platinum certification, is on track to be complete by 2020. With this renovation, we are improving indoor air quality by installing direct outside air systems, which balance recirculated air with outside air. We are also using low-emitting adhesives, sealants, paints, coatings, flooring and composite woods. Water-conserving plumbing fixtures could save up to 100,000 gallons of drinking water each day, and our cogeneration plant, fueled by natural gas, will produce heat and electricity on-site, reducing the building's carbon footprint by 30 percent — a key contributor to our commitment to meeting the NYC Carbon Challenge. Outside the building, we preserved the mature trees lining Greenwich Street and planted new ones. We also put in more than 8,500 square feet of new plantings and a 3,500-square-foot lawn. When the project is complete, we will recapture approximately 2 million gallons of water annually from the building's roof and reuse more than 80,000 gallons to maintain the plantings in the plaza. Nearly all the demolition waste from the project is being recovered, reused or recycled.

The way we procure energy for our buildings is another important consideration for our environmental footprint. In 2016, we established a contract to purchase energy for our data center in Roanoke, Texas, through a collaboration between Citi Realty Services (CRS) and our subsidiary, Citi Energy Inc. (CEI). The Texas data center marks the first collaboration between the two groups. Through this project, Citi will use green e-certified renewable energy for 100 percent of the data center's electricity usage and has worked with a retail electricity provider to arrive at a pricing structure that provides renewable power at an attractive price point. The CRS and CEI teams are proactively identifying additional projects to partner on to help us meet our renewable energy needs and energy reduction goals.

Citi's LEED Silver certified office in Algeria

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.

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. Our Citi Tower in Hong Kong is a significant milestone in our pursuit to operate facilities that live up to high environmental standards while providing employees with workplaces that support their well-being. The building has been awarded LEED Platinum certification, and in 2017 it was also the first Citi project to receive WELL Silver certification from the International WELL Building Institute™. The WELL Standard — which is separate from, yet highly complementary to, LEED certification — assesses buildings for features related to health and well-being. The Tower includes many wellness-related benefits, from water- and air-quality testing to a fitness center and workstations with ergonomic features.

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 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 more than 700,000 water bottles 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 2017, 341 employees in 102 buildings across 22 countries logged more than 8.3 million steps and climbed 22,430 flights of stairs.

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. Because many of our offices are centrally located near public transportation, it reduces the need for employees to drive to work. To encourage use of these options and reduce the impact of employee commuting, we offer U.S.-based employees the option to use 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 London Citigroup Center, we offer a dozen electric vehicle charging stations for those driving electric vehicles. Business travel and employee commuting are reported as part of our Scope 3 emissions data.

Employee Engagement

We work to engage employees in achieving our environmental sustainability objectives both 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 20 Green Teams, with more than 1,300 employees, operating around the world. In 2017, these Green Teams held 150 volunteer and educational events, resulting in more than 2,500 volunteer hours dedicated to helping communities.

Each year, our company participates in World Wildlife Fund's Earth Hour. In March 2017, more than 3,000 Citi facilities in 95 countries turned off the lights between 8:30 and 9:30 pm local time. This is the 10th consecutive year that Citi has participated in the event, and we achieved record participation rates, with more than 75 percent of facilities joining in. In addition, in recognition of Earth Day, Citi hosted environmental and sustainability events during the month of April. Employees organized 140 events across all Citi regions, and more than 3,200 employees globally participated. For example:

- More than 100 volunteers in the state of Michoacán in Mexico collected garbage on the island of Janitzio, famous for its celebration of Día de los Muertos or Day of the Dead. The site accumulates a tremendous amount of trash from tourism, and volunteers collected nearly 1.5 tons of waste in just over three hours.
- Nearly 90 volunteers in Costa Rica visited the Irazú Volcano to clean trails, paint railings and repair roads.
- In the Philippines, a Citi employee organized a coastal and underwater cleanup with more than 50 volunteers, collecting more than 1,600 pounds of trash.
- In New York City, employees led a park cleanup with New York Cares. More than 180 volunteers worked to remove invasive species and debris from several ecologically sensitive areas, mulch pathways, plant seedlings and spread milkweed for monarch butterflies.

Citi Green Team from Mexico collecting garbage on the island of Janitzio

Citi Green Team revitalizing a park in New York City

Responsible Sourcing

Our commitment to responsible, ethical and sustainable business practices extends to our supply chain, as many of our most material issues are also relevant to our suppliers. 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. During 2017, we conducted various training sessions for ESC employees, including a session exploring Citi's sustainability goals, as well as one discussing how the UN Sustainable Development Goals influence our approach to global inclusion and sustainability activities that the Supply Chain Development, Inclusion and Sustainability team engages in and supports.

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 (IT) hardware and e-waste disposal, and travel and logistics. Position statements that provide guidance on implementation procedures for each of these topics were developed and disseminated. During 2017, the Supply Chain Development, Inclusion and Sustainability team worked with the Third Party Utilities team, procurement global leads, and regional and category champions to further socialize these statements and strengthen policy adherence aligned to the Global Operating Procedures. We will continue to implement employee training and guidance on best practices in 2018.

SUSTAINABLE PAPER SOURCING

In the U.S., Citi consumes approximately 25,600 tons of paper annually for our direct mail and marketing print for Branded Cards. Historically, the direct mail supply chain and supplier relationships have been managed by a third-party print management company, giving Citi little visibility into the sourcing of paper and related environmental impacts.

In December 2016, Citi transitioned to a direct-to-supplier relationship model. By fully leveraging our scale and purchasing power, we are reducing costs by millions of dollars, and we have implemented a "right paper" philosophy. Our ESC Global Print, Cards & Fulfillment Sourcing team and Branded Cards print production team have worked with every vendor in our direct mail supply chain and the paper merchant and mills to establish a complete end-to-end Forest Stewardship Council (FSC) certification process. As a result, since the beginning of 2017, every element of Citi's Branded Cards direct mail packages in the U.S. uses paper sourced in the most environmentally responsible manner available to the industry, with a formal chain of custody so Citi can trace the paper all the way back to the planting of the trees.

We are now working to implement the sustainable sourcing practices and chain of custody across our statement and transactional print supply chain, which accounts for another 13,700 tons of paper annually. Most of the vendors in this supply chain are already FSC-certified, and the paper being sourced is already mostly FSC compliant. We are now working to ensure appropriate chain of custody at each step in the process.

Supplier Engagement and Evaluation

Suppliers provide critical goods and services our company needs to continue operating, and we view partnerships with our suppliers as an essential aspect of operating responsibly, meeting our sustainability goals and managing expenses. We seek out suppliers that share our values and work to clearly communicate our expectations regarding social and environmental issues. The following standards and policies provide the foundation for these efforts:

- 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. We published a new version in 2017 that includes updates to strengthen our standards related to accessibility and diversity, the handling of Citi employees' personal information, child labor, forced labor and human trafficking, among others.
- 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 we released our first transparency statement in 2017, which summarizes our approach to eradicating modern slavery in our operations and supply chain. For more information, see the Human Rights section.

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 they manage a range of issues, such as environmental management, human rights, labor practices, diversity and health and safety. The CRQ for our Europe, Middle East and Africa (EMEA) region also 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 continue working to implement these questions across other regions as well and to continually improve our transparency with an annual statement pursuant to the UK Modern Slavery Act. 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 SPOTLIGHT: GOAL 8

Decent Work and Economic Growth

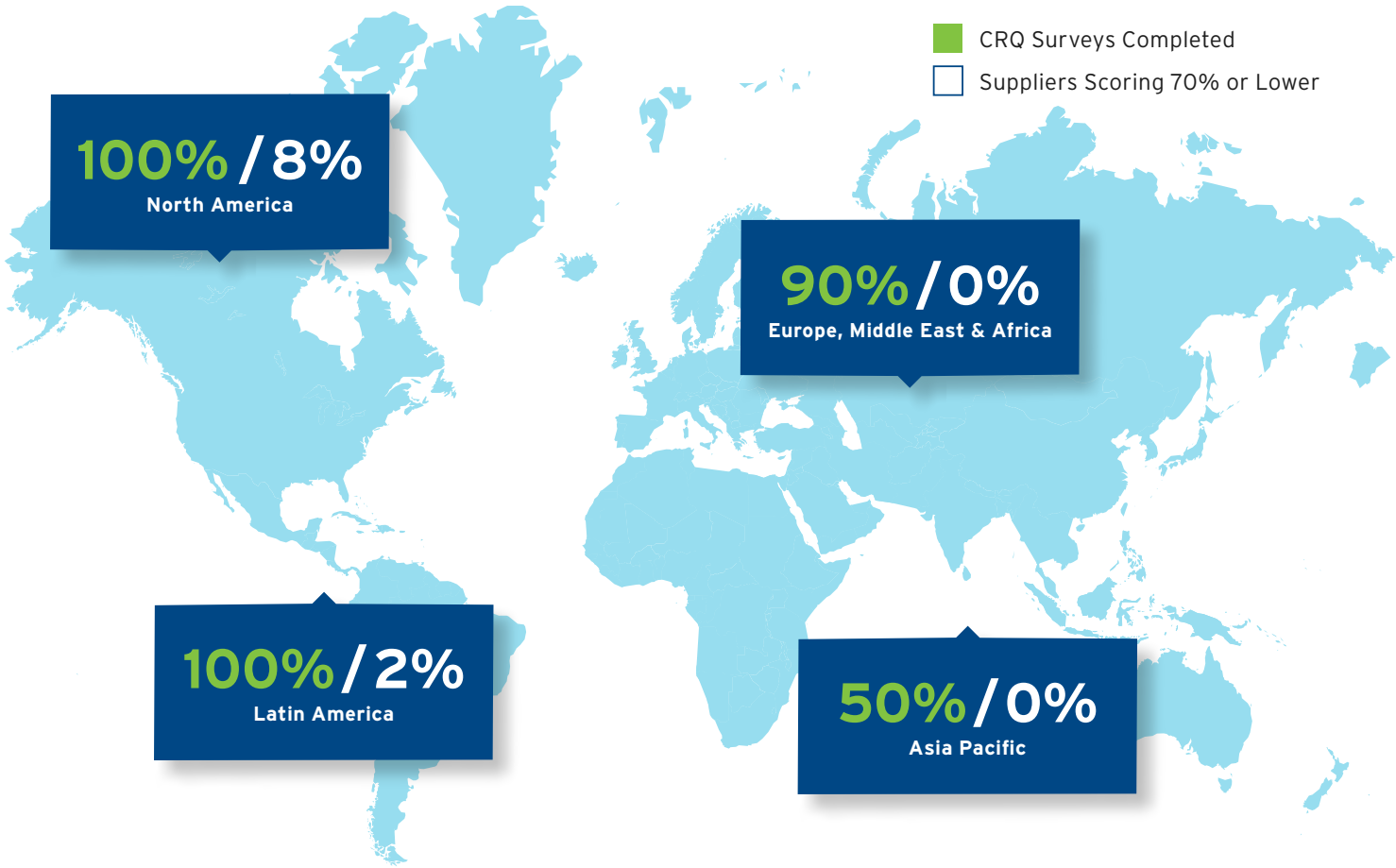
Our network of Global Champions helps us adapt the CRQ to local cultures and business norms, and we translate the CRQ into 14 languages to make it easier for suppliers to fill out and to enable productive follow-up conversations.

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 2017, 8 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 for them to improve their scores within a year when they will 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 2017, to strengthen our efforts, we integrated the CRQ with other internal systems, which will enable greater risk management and end-to-end governance for the CRQ on a global scale. We also conducted educational sessions with ESC sourcing teams in the Asia Pacific, EMEA and Latin America regions to ensure global alignment and consistency in processes related to the questionnaire.

The work we are doing is not going unnoticed. Our Supply Chain Sustainability program was recognized at the Sustainable Purchasing Leadership Council Awards in 2017. We received an Outstanding Case Study Award for our overall sustainability efforts as well as the global deployment of the CRQ.

2017 CRQ SURVEY IMPLEMENTATION



QUESTIONNAIRE HIGHLIGHTS (AS OF DECEMBER 2017)

100%

Percentage of top tier global suppliers that have completed the CRQ since it was established in 2013

2017

The year the CRQ was made available to all approved suppliers globally

14

The number of languages in which the CRQ is available – including Arabic, English, French, German, Hungarian, Italian, Japanese, Korean, Portuguese, Russian, Spanish, Turkish and two different written Chinese formats: Simplified Chinese (China) and Traditional Chinese (Taiwan)

Supplier Training and Development

Citi works to build supplier capacity through training and development opportunities. In 2017, we partnered with several organizations, including the Women Presidents' Educational Organization, New York City Small Business Services' Corporate Alliance Program, the New York & New Jersey Minority Supplier Development Council and the National Minority Supplier Development Council, to co-host events and participate on panels that provide educational content to certified diverse suppliers. Topics at these events included subcontracting and Tier 2 opportunities, sustainable supply chain practices and transformational leadership.

During 2017, Citi also completed a two-year, in-depth mentoring and training program in partnership with the New York & New Jersey Minority Supplier Development Council, Rutgers University, Covenant Business Concepts, and other corporate sponsors. During the program, Citi provided one-on-one coaching for two minority- and women-owned businesses, provided learning sessions on sustainability and transformational leadership and hosted a debrief data collection session. We have committed to participate in a second round of mentorship and training through this program beginning in 2018.

Supplier Diversity

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- and minority-owned firms access to business opportunities, education, mentoring and training. Working with a range of supplier-focused organizations, we identify small and diverse suppliers that can meet our supply chain needs and then help build these suppliers' capacity. During 2017, we hosted an on-site Supplier Expo, creating an opportunity for diverse businesses to share their capabilities with Citi sourcing professionals and internal lines of business. We also pledged, along with other multinational companies at the 2017 Global Citizen Festival, to procure an additional $100 million from women-owned businesses over the next three years, especially from firms located in developing markets.

Broad engagement with other organizations helps us strengthen our own supplier diversity efforts and advance the conversation more broadly. The following are just a few examples of Citi's supplier diversity-related engagements in 2017:

- Participated in the inaugural Women's Economic Empowerment Global Summit
- Hosted the seventh-annual Sustainability Symposium in partnership with the New York & New Jersey Minority Supplier Development Council, bringing together representatives from Fortune 500 companies, government and academia to discuss the importance of incorporating sustainability initiatives into supply chain business practices
- Worked with the National Minority Supplier Development Council (NMSDC) to simultaneously host the Chief Procurement Officer Summit and the NMSDC Corporate Plus Summit; this combined event brought together procurement thought leaders discussing best practices in supply chain management (including diversity) with NMSDC-certified minority-owned businesses

$769M

Total amount spent on Tier 1 and 2 diverse suppliers in 2017 ($488 million direct spend to Tier 1 only)

$100M

Amount Citi pledged to procure from women-owned businesses over the next three years, especially from firms located in developing markets

Partnerships are critical as we work to expand the Citi Supply Chain Development, Inclusion and Sustainability Program beyond the U.S. In 2017, 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 (CAMSC) and WEConnect International, a global organization dedicated to the advancement of women-owned businesses. For each of these partnerships, there is a designated regional champion to oversee and support the relationship on a local basis. In Canada, our engagement with WEConnect and CAMSC has resulted in a 20 percent increase in business with diverse suppliers over 2016. We also worked with UN Women to help produce *The Power of Procurement: How to Source from Women-Owned Businesses*.

DIVERSE SUPPLIERS RECOGNIZED

Citi's Supplier Awards recognize suppliers that share Citi's values, provide exemplary products and services, and consistently demonstrate a partnership built on mutual trust and value contribution to Citi. In 2017, three out of the seven Citi Supplier Awards went to diverse suppliers.

DIVERSITY PARTNER AWARD

Professional Translating Services

CITILEAN PARTNER AWARD

SHI International

INNOVATION PARTNER AWARD

First Financial Network

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 for 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.

ENVIRONMENTAL PERFORMANCE FOR OPERATIONS

Progress Against 2020 Goals

2020 GOAL	PROGRESS
100% use of renewable energy for facilities globally	18.3%
30% reduction in energy consumption (compared with 2005 baseline)	29.9%
30% reduction in water consumption (compared with 2005 baseline)	29.0%
10% of water used coming from reclaimed or recycled sources	5.8%
60% diversion rate of waste to landfill (compared with 2005 baseline)	61.8%*
33% of global real estate portfolio LEED-certified	21.8%

LEED-Certified Buildings by Region**

Region	Certified	Silver	Gold	Platinum	Total
North America	27	28	68	1	124
Latin America	1	3	5	0	9
Asia Pacific	4	12	37	11	64
Europe, Middle East & Africa	2	5	17	7	31
Total	**34**	**48**	**127**	**19**	**228**

LEED-Certified Buildings by Building Type**

Building Type	2013	2014	2015	2016	2017
Data Centers (DC)	1	0	0	1	1
DC File Storage	0	0	0	0	0
Office Buildings	13	13	14	7	11
Operational Centers	0	3	1	1	3
Branches	0	23	10	23	3
Total	14	39	25	32	18
Cumulative Total***	**114**	**153**	**178**	**210**	**228**

*Diversion ratio met

** Based on the Active Buildings in the Portfolio by YE 2017, and excludes projects for Inactive and Disposed buildings.

*** Includes buildings certified prior to 2013.

GHG Emissions (Scope 1 & 2) by Region

Region	Scope 1 CO_2e (mt)	Scope 2 CO_2e		Total CO_2e	
		Location-Based (mt)	Market-Based† (mt)	Location-Based (mt)	Market-Based (mt)
North America	13,610	327,832	243,494	341,441	257,104
Latin America	2,302	115,272	84,909	117,573	87,211
Asia Pacific	1,511	193,217	189,346	194,728	190,857
Europe, Middle East & Africa	3,675	63,932	51,091	67,607	54,766

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	341,441	257,104	802	2,484,810	15,690
Latin America	117,573	87,211	285	1,070,294	10,735
Asia Pacific	194,728	190,857	307	818,997	6,581
Europe, Middle East & Africa	67,607	54,766	180	384,822	3,725

Electricity Consumption Amounts Applied to Market-Based Emission Factor Types

Emissions Factor Basis	Electricity (kWh)	Steam (kWh)	Chilled Water (kWh)	Total (kWh)	% Total Consumption (kWh)
RECs or Other Energy Attribute Certificate	191,591,559	0	0	191,591,559	13%
PPA or Source Contract	108,048,154	0	0	108,048,154	7%
Supplier Specific	138,960,450	0	7,928,970	146,889,420	10%
Steam Default	0	27,824,759	0	27,824,759	2%
Residual Mix	30,741,801	0	4,619	30,746,420	2%
Grid Average	956,443,354	0	19,478,138	975,921,492	66%
Total	**1,425,785,317**	**27,824,759**	**27,411,727**	**1,481,021,803**	**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.

ENVIRONMENTAL IMPACT REPORT

	2005	2012	2013	2014	2015	2016	2017
Operating Sq. Ft.	71,978,507	61,476,361	57,689,984	54,888,730	52,399,026	50,354,101	48,051,230
Headcount	344,650	306,370	235,054	225,750	224,740	219,056	208,043
ABSOLUTE INDICATORS							
Energy							
Electricity (GWh)	1,964	1,831	1,733	1,657	1,586	1,519	1,426
District Heating (Steam & Chilled Water) (GWh)	87	62	57	60	62	61	55
Energy Purchased (GWh) - Scope 2	**2,050**	**1,892**	**1,790**	**1,717**	**1,648**	**1,581**	**1,481**
Natural Gas (GWh)	145	84	86	83	76	70	64
Fuel Oil (GWh)	51	56	42	37	37	32	29
Energy Consumed (GWh) - Scope 1	**197**	**140**	**127**	**120**	**113**	**102**	**93**
Total Energy (GWh)	**2,247**	**2,032**	**1,917**	**1,836**	**1,761**	**1,683**	**1,574**
CO_2e Emissions*							
Direct CO_2e (GHG Scope 1) (Gas & Fuel Oil) (mt)	43,533	32,587	28,941	27,042	25,742	23,178	21,097
Indirect CO_2e (GHG Scope 2) (Electricity, Steam & Chilled Water) (mt)	1,048,241	912,137	863,132	820,435	789,002	749,583	700,252
Total CO_2e (mt)	**1,091,773**	**944,724**	**892,073**	**847,476**	**814,743**	**772,761**	**721,349**
RECs or Other Energy Attribute Certificate Purchased (CO_2e) (mt)	5,953	98,450	101,642	67,028	72,947	72,772	102,067
Net CO_2e (mt)	**1,085,820**	**846,274**	**790,431**	**780,448**	**741,796**	**699,989**	**619,282**
Water Consumption							
Potable Water (m^3)	6,691,645	6,178,591	5,867,268	5,272,072	5,094,364	4,835,388	4,484,822
Non-Potable Water (m^3)	13,014	21,414	20,433	20,784	57,822	233,093	274,101
Total Water Consumption (m^3)	**6,704,659**	**6,200,005**	**5,887,701**	**5,292,856**	**5,152,186**	**5,068,482**	**4,758,923**

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

	2005	2012	2013	2014	2015	2016	2017
Waste							
One Citi NY** Construction Recycling (mt)	0	0	0	0	0	15,251	6,679
Recycled Office Paper (mt)	6,230	14,043	16,820	16,608	14,992	26,908	10,513
Total Recycling (mt) 2017							**17,192**
One Citi NY Construction Waste (mt)	0	0	0	0	0	661	4,205
Refuse and Other (mt)	57,412	33,956	31,297	29,825	28,818	27,691	26,217
Total Waste (mt) 2017							**30,422**
Total Waste (mt)	**63,642**	**47,999**	**48,117**	**46,433**	**43,810**	**70,512**	**47,614**
RELATIVE INDICATORS							
Total Energy Consumed							
KWh/Rentable Sq. Ft.	31	33	33	33	34	33	33
KWh/Headcount	6,520	6,633	8,157	8,135	7,834	7,683	7,525
Net CO_2e							
Metric Tons/Rentable Sq. Ft.	0.0152	0.0154	0.0155	0.0154	0.0155	0.0153	0.0150
Metric Tons/Headcount	3.17	3.08	3.80	3.75	3.63	3.53	3.45
SCOPE 3 EMISSIONS							
Business Travel							
Business Air Travel CO_2e (mt)	NA	123,302	150,967	178,694	109,687	135,735	151,112
Business Train Travel CO_2e (mt)	NA	NA	5,335	6,651	1,605	2,125	209
Thermal Power							
30-Year Plant Life CO_2 (mmt)	NA	0	9.7	0	9.6	7.8	18.1
60-Year Plant Life CO_2 (mmt)	NA	0	19.4	0	19.2	15.6	36.2

**One Citi NY is Citi's NY headquarters renovation project

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 rising 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.

Citi's $100 Billion Environmental Finance Goal

Environmental Finance is a pillar of our Sustainable Progress Strategy,[1] and the $100 Billion Environmental Finance Goal is the flagship initiative of our environmental finance efforts. We hold ourselves accountable by measuring, tracking and publicly reporting our activities and impact.

As a global bank, we play an essential role in financing a sustainable economy, and environmental finance activity represents a growth opportunity for our business and our clients. In 2015, we announced our $100 Billion Environmental Finance Goal, to finance and facilitate $100 billion in activities that reduce the impacts of climate change and create environmental solutions that benefit people and communities. This commitment follows a previous goal, completed in 2013, to direct $50 billion toward climate-friendly projects.

The $100 billion goal supports Citi's mission to provide financial services that enable growth and economic progress. All of the business that counts toward the goal is driven by market demand and generates positive risk-adjusted financial returns for Citi, for our clients and for society as a whole. Having an established goal provides us with a cohesive way to measure and report on the impact of activity that contributes to an important global challenge, while also sending a clear signal about our intentions to our clients and partners, and to the market.

Each transaction counted toward the goal must meet at least one of six criteria, which include renewable energy, water quality and conservation, sustainable transportation, green building, energy efficiency and clean technology. The activities that fall under the goal span a diverse range of products and services, such as green bonds, power purchase agreements and tax equity financing.

In 2017, we released a new report, *Sustainable Growth at Citi: Progress and Impacts of Citi's $100 Billion Environmental Finance Goal*, to share our progress toward the goal, from 2014 through June 2017, and provide more detail about how we are measuring the impact of our environmental finance activities.

[1] For performance against our Sustainable Progress Scorecard, please see the Appendices of this report.

ENVIRONMENTAL FINANCE IN SUPPORT OF THE SDGS

Much of our work that counts toward our $100 Billion Environmental Finance Goal is also directly aligned with three of the Sustainable Development Goals: **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. As part of our goal, we facilitate the financing of renewable energy and energy efficiency projects – areas that make up two of the six criteria of the goal, accounting for $36.3 billion and $800 million, respectively, in 2017.

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. In 2017, financing for sustainable transit projects contributed $5.1 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 SPOTLIGHT: GOAL 7
Affordable and Clean Energy

SDG SPOTLIGHT: GOAL 11
Sustainable Cities and Communities

SDG SPOTLIGHT: GOAL 13
Climate Action

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

$57.0B
toward the $100B Environmental Finance Goal*
RESULTED IN

- **$5.1B** in sustainable transportation
- **$11.8B** in public finance
- **$6.3B** in water quality and conservation
- **$36.3B** in renewable energy
- **$9.3B**** in green bonds
- **$2.0B** in green building

* Transactions fall within multiple categories of reporting. For complete data, see page 85.
**Includes green portion of sustainability bonds when information is available.

OVERVIEW OF CITI'S $100 BILLION ENVIRONMENTAL FINANCE GOAL

Our $100 Billion Environmental Finance Goal supports environmental solutions that will reduce climate change impacts and benefit society.

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
- Renewable Energy Project Financing
- Solar Company IPO

GREEN BONDS
- Green Bond for Corporate Client

PUBLIC FINANCE
- Mass Transit Bond Financing
- LEED Certified Affordable Housing Financing

COMMODITIES
- Power Purchase Agreement
- Monetization of Renewable Energy Credits

CONSUMER/COMMERCIAL BANKING
- Energy Star Home Mortgages
- Solar Company Corporate Loan

Our environmental finance activity can be seen around the world:

This work results in measurable impacts:

4.5M mt CO_2e
GHG emissions avoided

104,305
Jobs supported (direct, indirect and induced)

43.6M
Population in U.S. cities and counties served by water-quality projects

4,747
Families served by green affordable housing

2,329 MW
New renewable energy capacity

Figures may not sum to total due to rounding.

Evolving Our Accounting Methodology

In 2017, we shifted from counting the fair market value of the deals that were included in the $100 billion goal to a league table credit methodology to calculate Citi's share. This new approach is based on third-party verifiable league table data, which better illustrates Citi's direct contribution to environmental solutions on behalf of our clients, based on our role in each transaction, and more closely aligns overall with the way we measure other aspects of our business. In order to promote transparency, and to promote wider adoption of this approach among our industry peers, we have made this methodology publicly available.

Using our league table accounting methodology, we've recalculated all the activity that has counted toward the $100 billion goal, from 2014 through 2017, and determined that we have contributed $57 billion toward sustainable growth.

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 emerging opportunities to address climate challenges. Our Corporate Sustainability team works closely with contributing business units to track progress toward our $100 billion goal in each business category — Alternative Energy Banking and Financing, Green Bonds, Public Finance, Commodities, and Consumer Banking and Commercial Banking.

Alternative Energy Banking and Financing

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 teams have 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. For example, on the 200MW Flat Top Wind Project completed in 2017, Citi provided construction financing and tax equity financing to help enable the deal. By accessing multiple services from a single provider, our clients are able to reduce complexity and transaction costs, thereby enhancing project returns.

WHAT IS A LEAGUE TABLE?

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).

For those transactions to which we can apply league table accounting measures — more than 90 percent of financial activity counted toward the goal — we use Dealogic, Thomson Reuters and Bloomberg New Energy Finance (BNEF) league tables. For deals that involve loans or other financial products from Citi where there are no established league tables, we count the amount that reflects Citi's engagement in the deal.

In 2017, Citi ranked No. 1 as bookrunner in the Dealogic Global and Renewables league tables for Project Finance, and we were ranked fourth in Dealogic's Green Bond league table. We were also ranked second in the industry for our municipal finance activity by the Thomson Reuters SDC league table and No. 3 for Tax Equity by BNEF.

ENERGY EFFICIENCY

Energy-efficient design — for both building retrofits and new construction — is an important contributor to reducing overall greenhouse gas emissions around the world. Citi is working to create new, creative models for this market to help our clients reach their goals and build scalable, high-impact solutions. For instance, in 2017 we worked with Metrus Energy on a programmatic Efficiency Service Agreement (ESA) for a Fortune 100 company to deploy lighting efficiency upgrades at 13 of their sites across multiple U.S. states. This "efficiency as a service," pay-for-performance model allows the client to finance efficiency upgrades without upfront capital by monetizing the energy savings under a services contract. Ultimately, the upgrades will reduce electricity use for lighting by 65 percent, equivalent to removing 18,600 cars off the road over the lifetime of the project. The ESA — a structure that can be likened to a power purchase agreement for renewable energy — is still an evolving market and represents a promising and impactful area of growth.

TCFD RECOMMENDATIONS AND CLIMATE OPPORTUNITIES

Citi has been a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and its recommendations for improved disclosures of the financial impacts of both climate-related risks and opportunities. The TCFD's Final Recommendations Report, released in 2017, notes that: "Organizations that pro-actively seek opportunities in new markets or types of assets may be able to diversify their activities and better position themselves for the transition to a lower-carbon economy."

This focus on climate opportunities as well as risks is well aligned with Citi's Sustainable Progress Strategy. In addition to managing environmental and social risks and our own emissions and operational footprint, Citi has also focused on the opportunity to help our clients address the challenges presented by climate change through the provision of environmental finance. Trillions of dollars in investments for renewable and other clean technologies are needed to help the world transition to a low-carbon economy that is environmentally sustainable in the long term. In addition, investments are needed to help mitigate the impacts of climate change and make our communities more climate resilient. Through our $100 Billion Environmental Finance Goal and our previous $50 Billion Climate Finance Goal, we have actively worked to increase the availability of sustainable financing for activities that reduce climate change impacts and create environmental solutions in collaboration with our clients and other stakeholders for well over a decade.

For more details on the ways in which we are responding to the TCFD recommendations, and managing climate risks and opportunities, see the TCFD Index.

Green, Social and Sustainability Bonds

Citi was the fourth-largest underwriter of all green, social and sustainability bonds globally in 2017, helping our clients raise over $28 billion through socially responsible bonds to meet their environmental and sustainability goals. For example, Citi served as co-lead manager for a $1 billion sustainability bond issued by the Development Bank of Japan in October 2017, the largest socially responsible investment bond ever issued by a Japanese government entity. Additionally, our U.S. Municipal Finance business issued $1.3 billion in green municipal bonds.

Citi also cofounded the Green Bond Principles, which provide issuers with guidelines encouraging transparency, and we are an active member of its Social Bond Working Group. In 2016, as part of that working group, we worked on the release of the Social Bond Guidance document to support the growth of the emerging markets for social bonds, which finance projects that produce clear socio-economic benefits, and sustainable bonds, which support both social and environmental benefits. Citi has been an active part of these nascent bond markets, and while social and sustainable bonds are not counted toward our $100 billion goal, they are an important part of our growing sustainable finance business.

Public Finance

National and sub-national 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, in March 2017, Citi structured a buyer's credit financing solution with the Export Credit Agency of Spain to enable the Republic of Panama to finance its purchase of additional train cars for the first line of the Panama Metro System. The new cars will increase access to mass transit in Panama City, helping to decrease greenhouse gas emissions in the country. Citi's community lending and investing activity also includes financing of affordable housing. In the U.S., through Citi Community Capital, we invested more than $4.7 billion in affordable housing projects. LEED certified affordable housing projects, such as the $27.9 million Citi provided to finance the construction of LEED Gold certified MLK Plaza in New York City, are counted toward our $100 billion goal.

Commodities

Citi's commodities team and energy trading desk, Citigroup Energy Inc. (CEI), helps clients obtain renewable energy credits, works on commodities derivatives and provides hedges for renewable energy project financing deals. These services help enable our clients to achieve their financial and environmental goals for a range of renewable energy generation projects. CEI has also played a role in helping Citi meet our own energy needs sustainably. In 2017, CEI teamed up with Citi Realty Services to sign a deal that will secure 50 percent of all energy needs for a Citi data center in Roanoke, Texas, from renewable sources. The deal will allow us to fix our retail utility rate and utilize renewable energy at an attractive price point, and provides a useful transaction model for other entities looking to ramp up their renewable energy mix.

Examples of Our Environmental Finance Work

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 Americas' 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.

Walney Extension Offshore Wind Farm

In January 2018, the first phase of the Walney Extension Offshore Wind Farm, a 659-megawatt wind farm off the coast of Walney Island in the Irish Sea, began generating power. The project — which is jointly owned by Ørsted, Denmark's leading energy company, and two Danish pension funds — will be composed of nearly 90 wind turbines once complete. Citi served as exclusive M&A financial advisor, co-structuring bank and placement agent for this first-ever investment-grade project bond for an offshore wind project. The project is due to be operational in the second half of 2018, and will ultimately be capable of powering more than half a million homes in the UK with clean, renewable energy.

The bond was oversubscribed and won the 2017 Thomson Reuters' Project Finance International award for European Renewables Deal of the Year. The proceeds of the £2 billion sale will partially fund the construction of the offshore wind farm, which will be the largest in the world once commissioned.

KfW Green Bond

In May 2017, Citi acted as one of three joint lead managers on a €2 million green bond issuance for KfW, a German government-owned development bank. It was the bank's largest-ever green bond and attracted nearly €4 billion in orders from over 80 investors from around the world. Proceeds from the bond will be used toward projects that qualify for the bank's environmental investment program, Renewable Energies Programme — Standard, which is focused on renewable energy generation both within Germany and abroad.

Tesla Residential Solar Financing

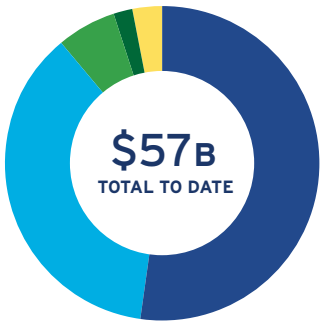
In December 2017, Citi was the lead left, co-structuring agent and joint bookrunner on a securitization of residential photovoltaic (PV) solar systems in the U.S. for Tesla. This $130 million offering securitized a diverse portfolio of leases and power purchase agreements (PPAs) for residential rooftop PV solar installations in the U.S. Approximately 90 percent of the asset pool was also originally financed via two Citi tax equity funds, and the remaining 10 percent were systems Tesla contributed from its balance sheet.

This is Tesla's second securitization under the Tesla name since acquiring SolarCity Corporation (d/b/a Tesla Energy), following a first issuance in November 2017. SolarCity executed five similar transactions and two solar loan issuances prior to being acquired by Tesla. Tesla Energy has been a leader in the residential solar energy market, offering leases and PPAs to homeowners, since 2006. Tesla Energy has installed solar systems across 27 states, Washington D.C., Puerto Rico, Canada and Mexico and maintains operations centers across the U.S.

Mutual Housing at Spring Lake

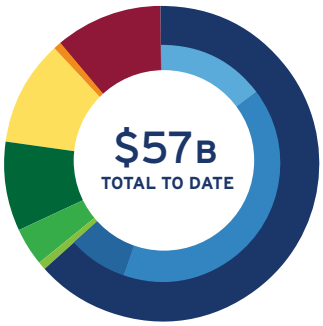
Citi served as the administrator on a $16.7 million construction loan for Mutual Housing at Spring Lake, an innovative affordable housing development that is the first 100% Zero Net Energy-ready rental housing development in the U.S. Located in Woodland, California, the development caters to full-time agricultural workers, who have traditionally faced inadequate and unhealthy housing conditions. Homes in the development are designed to be energy efficient and are primarily powered by an on-site solar power system so that each unit typically produces about as much energy as it consumes. Mutual Housing offers permanent year-round housing to agricultural workers and also includes leadership development, peer lending and digital education support services. In 2017, Mutual Housing at Spring Lake won the World Habitat Award for its innovative and holistic design.

$100 BILLION ENVIRONMENTAL FINANCE GOAL FINANCIAL DATA*

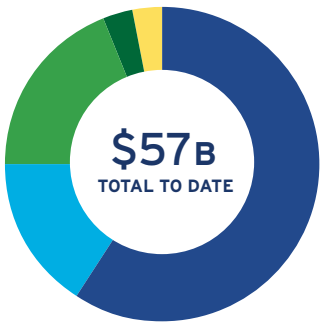


in billions of dollars, 2014–2017

Region	2014	2015	2016	2017	TOTAL	TOTAL %
North America	$4.2	$11.2	$6.7	$8.1	$30.2	53%
Europe, Middle East and Africa	$2.4	$4.1	$7.8	$6.7	$20.9	37%
Asia Pacific	$0.2	$0.1	$0.5	$2.3	$3.2	6%
Latin America	$0.2	$0.5	$0.0	$0.4	$ 1.1	2%
Multiple Regions	$0.5	$1.1	$0.0	$0.0	$1.7	3%
TOTAL	$7.5	$16.9	$15.0	$17.6	$57.0	100%



Environmental Criteria						
Renewable Energy	$4.9	$11.6	$9.0	$10.9	$36.3	64%
Solar	$0.8	$2.1	$0.6	$4.8	$8.3	15%
Wind	$3.0	$7.9	$8.1	$4.4	$23.4	41%
Multiple Technologies	$1.1	$1.6	$0.3	$1.6	$4.6	8%
Energy Efficiency	$0.1	$0.3	$0.3	$0.1	$0.8	1%
Green Building	$0.4	$0.6	$0.6	$0.3	$2.0	4%
Sustainable Transportation	$0.5	$1.8	$1.6	$1.2	$5.1	9%
Water Quality and Conservation	$0.4	$1.1	$2.8	$2.0	$6.3	11%
Clean Technology	$0.1	$0.1	$0.1	$0.0	$0.3	1%
Multiple Criteria	$1.1	$1.4	$0.5	$3.1	$6.1	11%
TOTAL	$7.5	$16.9	$15.0	$17.6	$57.0	100%



Business						
Alternative Energy Banking and Finance	$4.2	$11.0	$8.5	$9.3	$33.0	58%
Green Bonds**	$1.8	$1.8	$1.3	$4.4	$9.3	16%
Public Finance	$0.7	$3.3	$4.3	$3.5	$11.8	21%
Commodities	$0.2	$0.5	$0.5	$0.2	$1.4	2%
Consumer Banking and Commercial Banking	$0.6	$0.5	$0.4	$0.2	$1.6	3%
TOTAL	$7.5	$16.9	$15.0	$17.6	$57.0	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 a 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.

We have identified a range of impacts – greenhouse gas (GHG) emissions avoided, jobs supported and community benefits – 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. Our approach was developed with stakeholder feedback and following extensive research on existing best practices. We recognize this is still a nascent area of work and continue to welcome the challenge 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. We have also aligned our impact measurement methodology with our new goal 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 the different types of transactions that contribute to the $100 billion goal – specifically, renewable energy financing and energy efficiency financing, public finance and consumer and commercial banking.

For social impacts, we focus on jobs supported as a metric because of the positive impacts that employment has on people's livelihoods and on economic growth. Based on an approach used by economists and public policy experts, we developed a model to estimate our contribution to supporting job creation. Our modeling tool estimates the number of jobs supported from Citi's financing of U.S.-based renewable energy projects and, in 2017, we expanded the model to include U.S. public finance activity. These calculations are based on specific investment and expenditure profiles tied to data aggregated from a number of sources.

IMPACT DATA

ENVIRONMENTAL IMPACTS	2014	2015	2016	2017	TOTAL
Avoided GHG Emissions (mt)	**1,360,092**	**1,740,659**	**325,676**	**1,058,809**	**4,485,236**
Renewable Energy Project Financing	1,294,788	1,590,612	180,739	1,057,022	4,123,161
Energy-Efficiency Financing	60,061	145,524	140,149	0	345,734
Public Finance	2,224	1,672	1,453	1,246	6,595
Consumer/Commercial Banking	3,019	2,851	3,335	541	9,746
Annual Renewable Energy Capacity Added (MW)	**563**	**869**	**278**	**619**	**2,329**

SOCIAL IMPACTS	2014	2015	2016	2017	TOTAL
Jobs Supported	**11,574**	**29,494**	**30,140**	**33,097**	**104,305**
Renewable Energy Project Financing	4,870	8,069	4,378	4,357	21,674
Public Finance	6,704	21,425	25,762	28,740	82,631
Annual Trips on Transit System Projects	**0**	**3,468,037,144**	**3,128,031,314**	**4,222,362,606**	**10,818,431,064**
People Served by Water Quality and Conservation Projects	**211,346**	**6,916,113**	**28,831,321**	**7,617,037**	**43,575,817**
Families Served by Affordable Housing Activity	**1,237**	**1,004**	**1,166**	**1,340**	**4,747**

CITI SUPPORTS THE PARIS AGREEMENT

Citi has been outspoken in our support of the Paris Agreement, the international plan to address climate change that has been signed by nearly 200 countries. In May 2017, Citi CEO Michael Corbat, along with his counterparts in 30 other large companies, signed an open letter to the U.S. President that laid out the business case for the Paris Agreement. Even though it was announced that the U.S. would be withdrawn from the Paris Agreement, we have continued to voice our support for the global agreement due to the unique and widespread risks that climate change presents to society and to our business.

We believe that U.S. participation in the agreement would strengthen American competitiveness in global markets, create jobs, and support investments and new market development by setting clear, long-term goals.

Citi remains fully committed to contributing to climate change solutions and global collaboration. Regardless of whether the agreement is officially recognized as a commitment by the U.S. government, it will remain a guiding framework for public- and private-sector activity around the world and is a relevant piece of our strategic work on environmental finance.

CITI GPS REPORT EXPLORES WATER FINANCING OPPORTUNITIES

The world's water resources are becoming increasingly strained and, in some areas, nearing crisis points. An estimated 800 million people lack access to clean water, while 4 billion people live with water scarcity at least one month a year. The water challenge will likely only grow in severity — the global demand for water is expected to nearly double over the next 15 years, and the effects of climate change and intensifying drought patterns will only compound the problem.

New approaches to water are needed now more than ever, and water quality and conservation is one area of focus under our $100 Billion Environmental Finance Goal. Citi Global Perspectives and Solutions (GPS), our premier thought leadership product, examined the issue of water scarcity and paths forward in an April 2017 report entitled *Solutions for a Global Water Crisis: The End of Free and Cheap Water*. The report, which looks at both demand- and supply-side solutions, found that poor water management policies, insufficient infrastructure and a lack of effective pricing mechanisms are major contributors to a pending global water crisis. Vast investment in infrastructure to increase water efficiency is critical — according to the report, $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.

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 GHG 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 toward a low-carbon economy. Citi, along with our clients, will continue to work to understand these emerging market opportunities on behalf of our clients, in a way that also addresses the critical SDG development agenda.

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.

This section is by no means a comprehensive collection of our efforts, but rather a sample of highlights that aims to provide insight into how we deploy our products, people and financial resources to serve as engaged problem-solvers in our communities, promote economic mobility and create economies in which households at all income levels have the opportunity to succeed.

CATALYZING INCLUSIVE AND RESILIENT COMMUNITIES

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.

Many of the programs described in this report rely on a range 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 SPOTLIGHT: GOAL 17
Partnerships for the Goals

Innovative Local Government and Community Change Agents

Over the past several years, the role that local government and community organizations play in creating thriving neighborhoods has expanded greatly from simply ensuring that basic services are available to residents. Now, more than ever, they are expected to serve as "change agents" and drivers of innovation, addressing a wide array of issues that impact residents, including infrastructure, employment, housing and financial health. Moreover, they often do so while facing significant budget and resource constraints. Increased collaboration and investment in innovative, efficient solutions can help local governments and community organizations address long-standing challenges and economic trends in new ways.

Public-Sector and Institutional Funding

Globally through Citi's Public Sector Group, and in the U.S. through our Municipal Securities Division, 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.

DE-RISKING DEVELOPMENT DEBT

Local governments and large institutions in emerging and frontier markets often rely on hard-currency loans from supranational organizations, such as The World Bank Group, to fund growth and development. Holding foreign currency debt can expose these countries to foreign exchange risks that can lead to severe financial repercussions when exchange rates fluctuate. However, these countries often also suffer from underdeveloped or nonexistent swap markets and local debt capital markets that limit their ability to hedge such risks.

Through Citi's global footprint and relationships with governments, supranationals and investors, we are able to help clients in emerging markets by identifying favorable market conditions and enabling them to "de-dollarize" debt — convert supranational hard-currency loans to local currency debt, mitigating foreign exchange risk and promoting the development of swap markets in the country. For example, in 2017, Citi executed a $144 million, 10-year cross-currency swap with the Inter-American Development Bank (IADB) that allowed the IADB to re-denominate outstanding debt from U.S. dollars to local currency for the Instituto Costarricense de Electricidad, the Costa Rican government-run electricity and telecommunications services provider. The transaction constitutes the first public-sector debt de-dollarization in Costa Rica.

CASE STUDY

The Effects of Income Inequality

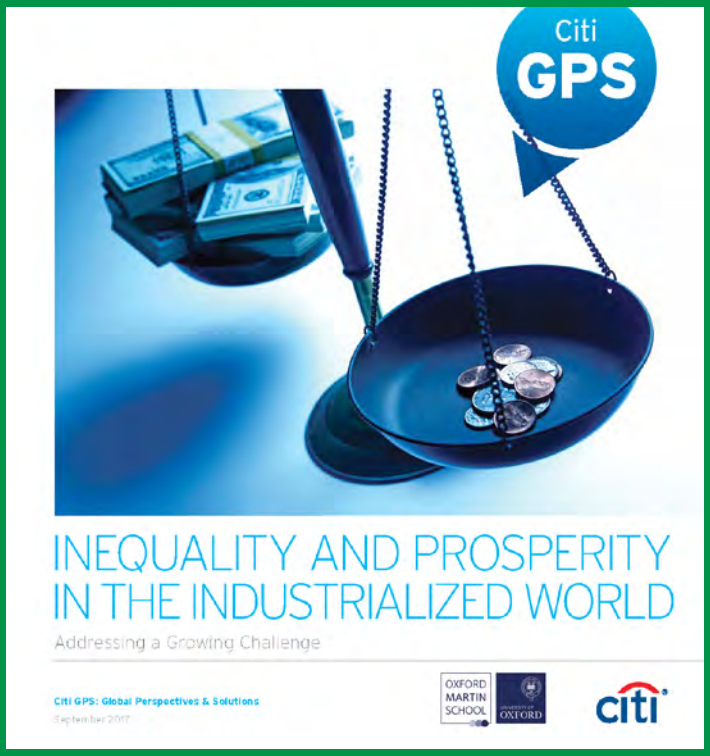
Income inequality within many OECD countries has increased substantially in recent years, reversing a long period of decline. But it is still unclear why, exactly, this is happening, and what the long-term effects will be on developed economies.

Citi Global Perspectives and Solutions (GPS) – our research and thought leadership division – examined the issue of income inequality in a September 2017 report entitled *Inequality and Prosperity in the Industrialized World: Addressing a Growing Challenge*. There were three important findings. First, if the various drivers of inequality are left unaddressed, future drag on economic growth is likely. Thus, from an investment perspective, it makes good economic sense to understand and address the drivers of inequality.

Second, economic inequalities are everywhere – not just between countries but also between regions within countries, and between generations, industries and firms, and putting an intergenerational lens on this sharpens the issue. Economic inequality is indeed integrally connected to issues such as youth unemployment, social mobility and pension funding.

Finally, inequality, as well as the impact of other exacerbating factors such as lower social care budgets and the reduced provision of other government-funded services, is contributing markedly to the erosion of societal trust and cohesion and the fragmentation of the political process. Inequality will likely be an increasing factor in election outcomes, with social media playing a growing role in shaping perceptions.

These findings suggest that a consensus urgently needs to be reached between government, the public sector, the private sector and society at large about how to tackle the challenge of inequality in a way that promotes inclusive and necessary economic growth.



Citi GPS report Inequality and Prosperity in the Industrialized World: Addressing a Growing Challenge

FINDINGS ON INCOME INEQUALITY

1. Left unaddressed, the drivers of inequality will slow future economic growth.
2. Economic inequalities are found everywhere – across geographies, generations and industries.
3. Inequality and other factors are contributing to the erosion of social trust and cohesion around the world.

Innovative Financing Mechanisms

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 social and environmental solutions. Thematic bonds continue to evolve to address new needs and issues, and Citi is working closely with clients and partners on new products.

Vaccine bonds, for example, help finance a critical public health issue in the developing world. Each year, it's estimated that more than a million and a half children globally die from preventable diseases. Due to a lack of predictable funding, local health organizations in poor countries are often unable to supply and implement vaccines for diseases including pneumonia, polio and yellow fever. Bonds are one financing tool that can address these funding issues. In November 2017, Citi helped manage a $300 million, three-year vaccine bond for the International Finance Facility for Immunisation, a fundraising organization providing development assistance. The bond was oversubscribed and will be used to run immunization programs by Gavi, the Vaccine Alliance. This follows on a similar issuance Citi supported in 2016.

In Mexico, the federal government has made financial inclusion a national priority. In August 2017, they made a notable commitment with the issuance of the country's first social bond, on behalf of Mexico's development bank, Nacional Financiera. Citibanamex successfully priced the product as a five-year MXN$4,000 million (US$229 million) bond on the Mexican debt market, receiving over MXN$13,000 million in investor demand. The proceeds will be used to fund a range of programs across the country, including small enterprise development, access to affordable housing, and energy efficiency to decrease utility costs for low-income households.

These examples build on the contributions Citi has made in promoting the growth of social bonds over the past few years. In 2017, we co-led the placement of a $500 million social bond for the International Finance Corporation, that is designed to finance projects benefiting women-owned businesses and low-income communities in emerging markets. We also priced a $500 million, four-year Education, Youth and Employment (EYE) bond on behalf of the Inter-American Development Bank in 2014. 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.

The industry also continues to use innovative financial instruments to hedge environmental risk. For example, catastrophe bonds (CAT bonds) were created in the 1990s following Hurricane Andrew. The destruction of the hurricane made it nearly impossible for many homeowners in Florida to obtain insurance. CAT bonds help policyholders by transferring the financial risk following natural disasters from the bond's sponsor (traditional insurance and reinsurance companies) to the global capital markets.

In mid-2017, Citi's Banking, Municipal Securities and Capital Markets Origination teams completed their third Everglades catastrophe bond, raising Citi's total issuance in the series to more than $2 billion in the past three years. The transaction, issued by Florida's Citizens Property Insurance Corporation, is valued at $300 million and provides a fully collateralized source of reinsurance protection against any named storms that may occur over a three-year period.

SERVICE DESIGN FOR AND WITH LOW-INCOME NEW YORKERS

Few know more about the strengths and weaknesses of public services than those who rely on them. One emerging field of practice, known as service design, works to actively engage all stakeholders of a service — especially beneficiaries — to better understand every aspect of how a public service is administered to improve its delivery and impact.

In October 2017, the New York City Mayor's Office for Economic Opportunity, the Mayor's Fund to Advance New York City, and Citi Community Development launched the nation's first-ever municipal Service Design Studio and toolkit dedicated to making public services for low-income New Yorkers as effective and accessible as possible. The Studio launch builds 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 the city of New York. The service design approach incorporates ethnographic field research, behavioral science, economics, information technology, design and other related disciplines. The Service Design Studio will be 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 addition, through our Export and Agency Finance division, Citi partners with development finance institutions (DFIs) to create financing solutions for development projects. DFIs are government agencies that support overseas investment in emerging markets and are one tool to generate economic development in underserved areas. By partnering with DFIs such as the Overseas Private Investment Corporation, the African Export-Import Bank (Afreximbank) and the Asian Development Bank, Citi structures investments that share risk and enable important development projects that would normally be considered too risky for the private sector.

Philanthropic Efforts

Around the world, NGOs make valuable contributions to addressing difficult social problems. But they often 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 the space 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**.

Since 2014, the City Accelerator, an initiative of the Citi Foundation and Living Cities, has gathered municipal leaders from cities of all sizes to share learnings and try new approaches for sustainable and equitable urban growth. In 2017, five cities — Charlotte, Chicago, Los Angeles, Memphis and Milwaukee — worked together to refine their approach to procurement spending, pursuing at least one new strategy to increase the diversity of municipal vendors and contractors and direct more spending to local minority-owned businesses. For example, the city of Chicago, which has been working on the issue of inclusive spending since 2015 through its Procurement Reform Task Force, will focus on building a universal procurement platform to cover multiple city agencies that spend a combined $6 billion every year. This effort 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 SPOTLIGHT: GOAL 9
Industry, Innovation and Infrastructure

Cities for Citizenship is another example of our support for organizations working to improve lives in local communities. Since 2014, Citi Community Development 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, on this nonpartisan national initiative to provide naturalization resources to the estimated 8.8 million legal U.S. residents eligible for citizenship and to encourage 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 to provide access to legal assistance, microloans and financial counseling. Since its launch, Cities for Citizenship has grown from three to 42 member cities and counties.

Citi and the Citi Foundation regularly work with community organizations to amplify their impact. In 2015, the Citi Foundation launched the Community Progress Makers Fund – a two-year, $20 million initiative to help local change-makers scale and innovate. Forty grantees 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. To date, these grantee organizations have helped more than 14,700 low-income people secure financial assets, placed over 25,000 people in affordable housing and connected nearly 2,000 young people to jobs in their communities.

Based on the success of the program, in 2017, the Citi Foundation announced the expansion of the Community Progress Makers Fund with an additional $20 million investment for nonprofits across six U.S. cities. The expansion will provide general operating support grants to organizations working on economic challenges facing low-income communities in Chicago, Los Angeles, Miami, the San Francisco Bay Area, New York City and Washington D.C. Grantees will be announced in 2018.

Val Smith, Managing Director of Global Corporate Sustainability, speaking at the second-annual C40 Financing Sustainable Cities Forum

FINANCING SUSTAINABLE CITIES INITIATIVE

About 54 percent of the global population lives in cities today, and, according to the UN, that number is expected to rise to 66 percent by 2050.[2] Much of this shift will happen in the developing world, and international collaboration is needed to meet the needs of growing populations in a climate-safe and inclusive way.

Since 2015, the Citi Foundation has worked in partnership with the WRI Ross Center for Sustainable Cities and C40 Cities to implement the Financing Sustainable Cities Initiative, which aims to help accelerate the pace of financing for sustainable solutions in cities. Over the last two years, the Initiative has supported more than 100 cities in advancing clean energy and transportation projects.

Together, in 2017, we hosted the second-annual C40 Financing Sustainable Cities Forum along with the Greater London Authority. The event brought together global leaders in sustainable city finance at London City Hall to share successful business models and discuss new solutions to accelerate investment in more prosperous, inclusive and sustainable cities.

[2] United Nations Department of Economic and Social Affairs, Population Division, *2014 Revision of World Urbanization Prospects: Highlights* (July 2014), page 1, https://esa.un.org/unpd/wup/Publications/Files/WUP2014-Highlights.pdf.

COMMUNITY PROGRESS MAKERS

With support from the Community Progress Makers Fund, 40 nonprofit organizations in cities across the U.S. deployed innovative solutions to address long-standing 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.

"We've learned the importance of being influencers, not just doers."

– **Anne Evens**, Elevate Energy, Chicago

$7M
saved in energy efficiency for families

14K+
people helped in securing financial assets

Impacts from
40
Nonprofit Organizations

1.1K
small businesses strengthened

1.8K
young people connected to jobs

25K+
people placed in affordable housing

"Our work was seen as credible, and we got the attention of new funders."

– **Emily Gresham**, StartUP FIU Food, Miami

"We led new efforts with confidence."

– **Bill Schleizer,** Delta Institute, Chicago

All data cover the period from January 1, 2016, to July 30, 2017.

Infrastructure

As much as $59 trillion in infrastructure investment will be needed in the next 15 years around the world to keep up with demand and replace aging systems.[3] This need for investment is not being met — the amount spent on infrastructure as a percentage of GDP has continued to decline in recent years.

Ineffective, outdated or even completely lacking infrastructure negatively impacts the lives of people, with low-income communities and developing economies particularly hard hit. Over 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.[4] 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.[5]

Private- and public-sector stakeholders need to work together to find ways to overcome investment barriers. In 2016, we published a Citi GPS report entitled *Infrastructure for Growth: The Dawn of a New Multi-Trillion Dollar Asset Class.* The report explores the potential for a global infrastructure push and the vast opportunity for both the public and private sectors.

Citi finances billions in infrastructure projects around the world. In 2017, our activities included providing more than $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**, while our work on affordable housing also supports target **11.2**, which includes an aim of providing **access to safe, affordable, accessible and sustainable transport systems for all**.

SDG SPOTLIGHT: GOAL 9
Industry, Innovation and Infrastructure

SDG SPOTLIGHT: GOAL 11
Sustainable Cities and Communities

MEXICO CITY AIRPORT

Mexico City's Benito Juárez International Airport, serving a city of 20 million, is Latin America's busiest airport in terms of passenger and aircraft traffic. The airport needed investment for expansions and improvements to meet growing demand. With public budgets strained, the project required a smart debt-financing plan to avoid problems down the road.

Citi worked with airport and government officials to craft a customized and sustainable financing plan that would reduce the need for federal budget contributions, or new debt and new taxes. We acted as the global coordinator, collateral agent and intercreditor agent for the airport's $3 billion construction loan in 2015, as well as its inaugural $2 billion bond issue in 2016 and a follow-on bond issuance in 2017. This bond was the largest-ever Latin American airport bond and won six industry awards. The high visibility of the Mexico City airport project and its innovative finance structure are sure to make it a future model for other countries.

The project will also improve quality of life and the economy for local residents. After expansions and upgrades which are expected to be complete in 2020, the new airport will have six times more capacity and will create an estimated 600,000 indirect jobs.

[3] Citi Global Perspectives and Solutions, *Infrastructure for Growth: The Dawn of a New Multi-Trillion Dollar Asset Class* (October 2016), https://www.citivelocity.com/citigps/ReportSeries.action?recordId=55.
[4] Ibid.
[5] "Infrastructure Report Card: Economic Impact," American Society of Civil Engineers (website), accessed January 2018, https://www.infrastructurereportcard.org/the-impact/economic-impact/.

CASE STUDY

Citi Bike Expands in New York City and Beyond

Since launching in New York City in 2013, Citi Bike has become an integral part of the public transportation landscape in several cities. Over the past four years, the New York City program doubled the number of bikes from 6,000 to 12,000 across the five boroughs, and during peak season, Citi Bike employs over 450 people. Citi Bike has also expanded beyond our hometown, with our trademark blue bicycles popping up in Miami, Florida, and Jersey City, New Jersey.

CITI BIKES BY CITY

New York City

Launched: May 2013
Trips since launch: 54M
Miles traveled: 93.8M
Annual members: 134K

Miami

Launched: Dec. 2014
Trips since launch: 4.6M
Miles traveled: 13.7M
Annual members: 5.5K

Jersey City

Launched: Sept. 2015
Trips since launch: 589K
Miles traveled: 719K
Annual members: 3K

All figures are through December 31, 2017.

RESPONDING TO NATURAL DISASTERS AROUND THE GLOBE

In 2017, millions of people were affected by a barrage of extreme weather events and disasters, including devastating hurricanes that hit the U.S. and Caribbean, earthquakes in Mexico, wildfires in California and flooding in South Asia. Citi and the Citi Foundation responded with a combination of grant investments, employee and client fundraising, volunteerism and in-kind donations.

In response to Hurricanes Harvey, Irma and Maria, the Citi Foundation contributed $2.25 million to the Red Cross's relief and recovery efforts. In addition, Citi employees and clients contributed more than $600,000 through online fundraising channels. Employees also donated their time volunteering. For example, employees delivered 22 tons of food and supplies to colleagues in Puerto Rico in the first weeks after the storm. Citi also stepped up to create a unique form of aid to the American Red Cross — call center assistance during a time of increased volume. Over a two-week period, Citi Call Center employees answered 1,800 Red Cross calls — about 15 percent of call volume — helping callers seeking financial assistance after Irma and Harvey or looking for loved ones.

Also in partnership with the American Red Cross, the Citi Foundation supported ongoing relief and recovery efforts for 3,000 families in Bangladesh following floods that engulfed the northern region of the country. In January 2018, Bangladesh also experienced historically low temperatures that badly disrupted the lives of many, particularly low-income individuals, children and the elderly. In response, Citi Bangladesh donated 1,000 blankets to Prothom Alo Trust, the organization leading a country-wide relief effort.

The earthquakes in Mexico in September 2017 affected over 170,000 families whose houses were destroyed or damaged. Fomento Social Banamex, which leads our philanthropic efforts in Mexico in close coordination with

A beneficiary of earthquake recovery efforts in Mexico

the Citi Foundation, opened accounts to allow the public to contribute to reconstruction efforts and partnered with other corporations and private foundations to match the funds raised. By the end of 2017, Fomento Social Banamex had received more than $5 million in public donations and matched those funds, with the support of partners, to contribute more than $10.6 million to support rebuilding efforts throughout 2018. These efforts will produce 2,500 homes, three public schools and three public markets. Contributions will also help to support the economic recovery of impacted communities, providing 500 kitchens and ovens for microentrepreneurs in the food industry and conducting 11 folk art workshops to help artists recover and expand their businesses.

These disasters impacted not only the communities where we live and work, but also our employees and clients. Citi offered fee waivers, emergency credit line assistance, adjusted rates and access to forbearance programs for mortgage holders to many affected customers.

CASE STUDY

Building a Greener Port in Long Beach

In the port city of Long Beach, California, increasing temperatures due to global warming have broken several records in recent years. Mayor Robert Garcia has cited extreme heat as one of the city's top concerns, and the city has embarked on an ambitious plan to become more climate-resilient through greener infrastructure and urban planning.

One key aspect of this plan is greening the Port of Long Beach, which is the country's second-busiest port and saw traffic increase by 11 percent in 2017. Together, the Port of Long Beach and the neighboring port in Los Angeles represent the largest stationary source of air pollution in Southern California, making them a significant contributor to global warming. One of the most ambitious goals of the Clean Air Action Plan, first adopted by both ports in 2006 and updated in 2017, is to eventually reduce emissions to zero. As part of this plan, the Port of Long Beach is implementing a series of carbon reduction measures, including equipment upgrades and fees on diesel vehicles.

In June 2017, Citi served as senior manager on the Port of Long Beach's $172 million financing, including a $26 million green bond offering. Proceeds from the green bond will be used by the Port to help create new shipping terminal improvements designed to move cargo more efficiently with less pollution.

Affordable Housing and Homeownership

Nominal prices for U.S. homes have surpassed their pre-recession peak,[6] while wages have largely remained flat, leaving homeownership out of reach for many. This has in turn increased demand for rental units. The share of U.S. households renting homes is now at a 50-year high of 37 percent, and some 11 million households pay more than half of their income toward rent,[7] well above the 30 percent threshold that is considered a "cost burden." Communities of color and low-income families have been 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 **11.2**, which includes providing **access for all to adequate, safe and affordable housing and basic services**.

Financing Affordable Housing

Citi Community Capital (CCC) offers 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, those with disabilities and the homeless. CCC's work goes beyond just housing — we also finance other projects critical to strong and vibrant communities such as schools, healthcare facilities and businesses that contribute to community revitalization.

In 2017, the affordable housing market in the U.S. was challenged by uncertainties around tax reform, as well as labor and materials shortages, which were further exacerbated in some areas by natural disasters. At Citi, we continue to work with our clients to structure financing that is responsible, even amidst these challenges. Last year, we provided over $4.7 billion in loans for affordable housing projects in the U.S., covering 28,700 units in 129 cities, serving as the leading financer of affordable housing in the U.S. for the eighth consecutive year.

Citi has also pursued solutions that boost and preserve affordability. For example, Citi Community Development (CCD) acted as a lead investor in an innovative public-private partnership — that also included capital investment through Citi Community Capital — in San Francisco. Launched in February 2017, this partnership aims to help preserve and produce homes for lower-income families in one of the country's most expensive real estate markets. The San Francisco Housing Accelerator Fund was launched by the city of San Francisco, local foundations, corporations and other partners as a nonprofit financial intermediary that acts as a "one-stop shop" for investing in affordable housing in the city with a speed and responsiveness not otherwise possible in such a competitive real estate market. Through the Fund, the City of San Francisco will have a sustainable funding source to acquire new sites for affordable housing development in the future, and will continue to leverage private and philanthropic contributions to increase its impact. The Fund aims to preserve and protect 1,500 affordable housing units in its first five years by helping affordable housing developers better compete with market rate players, and is one example of creative problem-solving by Citi and our nonprofit and municipal partners.

CCD also works to strengthen affordable housing options for vulnerable populations that are often overlooked, such as the elder LGBTQ community. One recent study found that nearly half of older same-sex couples applying for senior housing faced discrimination. In March 2017, SAGE, one of the nation's oldest nonprofit organizations dedicated to the needs of that constituency, announced plans to expand its LGBT Elder Housing Initiative with the help of CCD. Under this expansion, SAGE is scaling its strategy to produce safe and welcoming affordable housing projects and promoting best practices for building inclusive housing among the housing development sector, community groups servicing LGBT individuals, policymakers and regulators.

SDG SPOTLIGHT: GOAL 11
Sustainable Cities and Communities

[6] Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2017* (April 2017), http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/harvard_jchs_state_of_the_nations_housing_2017.pdf.
[7] Ibid.

A rendering of affordable housing complex Draper Hall in New York City

AFFORDABLE HOUSING IN URBAN MARKETS

Citi Community Capital helps developers fill crucial gaps in the affordable housing market. For example, The Watson on East Howard development in Quincy, Massachusetts, which CCC helped finance with a $35 million construction loan, aims to serve people who have incomes too high for subsidized housing yet are priced out of Boston's expensive rental market. The 140-unit project includes the largest number of workforce housing units ever financed under MassHousing's Workforce Housing initiative.

Draper Hall, a 203-unit affordable housing complex for senior citizens, opened in New York City's gentrifying East Harlem neighborhood in October. The complex, which won the Affordable Housing Finance Reader's Choice award in 2017, helps fill an increasing need for affordable homes for older citizens. It also includes an adult day program with home health and medical services to help residents age in place. A construction loan from CCC helped bring the $85 million project to fruition.

Preserving Homeownership

Suffering a foreclosure can have serious effects on a homeowner's credit score and financial health that can last for years. Citi works on foreclosure prevention through our Office of Homeownership Preservation. Nationally, the foreclosure rate has continued to decline and reached an 11-year low in 2017; however, foreclosure activity remains above pre-recession levels in many areas.[8] The Citi Office of Homeownership Preservation addresses this ongoing challenge through restructuring loans, training housing counselors, scaling technological efficiencies to coordinate loan servicing, and investing in shared equity models.

We also work with partner organizations to prevent foreclosures. For example, in May 2017, CCD announced a collaboration with UnidosUS (formerly the National Council of La Raza) and local housing counseling agencies in Puerto Rico — PathStone, One Stop Career Center of Puerto Rico, Puerto Rico Neighborhood Housing Services and Ponce Neighborhood Housing Services — to help both struggling homeowners and those aspiring to buy. The funding helped expand these organizations' existing capacity and support critical counselor training, which was provided by UnidosUS. Puerto Rico has not seen the same post-recession economic recovery as the mainland U.S., with unemployment sticking at 11 percent (compared to about 4 percent nationally) and nearly half of all residents living below the poverty line. According to the Commissioner of Financial Institutions of Puerto Rico, the housing foreclosure rate has risen by nearly 90 percent in the past decade. CCD also gave an additional $50,000 to the Puerto Rico Community Foundation to help nonprofit housing developers expand the housing stock for low- and moderate-income residents.

Unfortunately, Hurricane Maria, which hit Puerto Rico in September 2017, has further exacerbated the island's challenges. In early 2018, CCD provided an additional $500,000 to these organizations to help thousands of families across the Commonwealth recover by providing free essential housing services, such as support for home repairs, free housing counseling, and other vital recovery resources. Citi remains committed to helping the island and for more on our response to the crisis, please see page 97.

[8] Attom Data Solutions, "U.S. Foreclosure Activity Drops to More Than 11-Year Low in Q3 2017" (October 2017), https://www.attomdata.com/news/foreclosure-trends/q3-2017-u-s-foreclosure-market-report/.

Innovative Financing Approaches

In recent years, as cities have become dynamic and attractive places to live and work, we have seen the rapid gentrification of urban areas around the country. The commensurate rapid rise in land and property values are threatening to displace low-income communities. An expansion of innovative approaches to affordable housing financing is needed to help circumvent this trend and develop more permanent solutions.

Citi Community Development (CCD) is working with several partners to develop community land trusts (CLTs) in rapidly gentrifying cities such as Washington D.C. and New York City. 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.

In February 2017, CCD partnered with City First Enterprises to plan a CLT for the Douglas neighborhood of Washington D.C., where median home prices increased by 20 percent in 2016. The Douglas CLT aims to acquire land and build properties to preserve affordability and build wealth for 100 families in the area. Citi provided $450,000 to the trust to support development of the CLT.

CCD is also the founding corporate partner for New York City's first citywide CLT. The Interboro CLT follows a unique multi-partner structure that includes the Center for NYC Neighborhoods, Habitat for Humanity New York City, MHANY Management Inc., and the Urban Homesteading Assistance Board. By building permanently affordable housing across the city, this project hopes to address the widening economic inequality in one of the world's most expensive cities. CCD provided $1 million in seed funding for the program in 2017 to launch the Interboro CLT Growth Fund to accelerate the development of the first 250 units and position the CLT to become one of the largest urban land trusts in the nation.

A veteran who is being placed into a home as part of the Bring them HOMES initiative

HOMES FOR VETERANS

An estimated 40,000 veterans are homeless on any night in America.[9] Since 2012, CCD has supported the Bring them HOMES initiative by the National Equity Fund and Local Initiatives Support Corp. to help end veteran homelessness. Over the last several years, this initiative has worked to finance, facilitate, advocate and implement affordable housing options for veterans. To date, a total of 3,500 affordable housing units, including 2,500 specifically for veterans, have been completed or are in development.

Citi also partners with other organizations working to end the problem of veteran homelessness through traditional financing and investment activity. For example, in 2015, Citi Community Capital provided construction financing totaling $20 million for renovations at the New England Center for Homeless Veterans, a Boston-based nonprofit providing services to veterans at risk of homelessness. The multimillion-dollar renovations, completed in 2017, give homeless veterans around the country better access to improved living accommodations, transitional services, medical help — including critical mental health and addiction services — and vocational programs.

[9] "Homeless Veterans: 2016 by the Numbers," U.S. Department of Veterans Affairs (website), accessed January 2018, https://www.va.gov/HOMELESS/accomplishments/2016-by-the-numbers.asp.

Thriving Small Businesses

Small businesses are the backbone of the global economy, accounting for two out of every three jobs in the U.S. alone.[10] Yet many face difficulties accessing the financing and capital that they need to thrive and grow. Citi takes a multi-pronged approach to supporting small businesses, including tailored products to meet their needs and partnerships that work to provide training and development for microentrepreneurs and small business owners and create a more enabling atmosphere for the growth of small businesses in countries around the world.

Financing Small Businesses

Access to capital is a fundamental need for any business. To help small businesses grow and create jobs, Citi provides them with capital — through loans, lines of credit and other products and services. In 2017, 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 barriers for small business owners. For example, education, access to capital and affordable space are common challenges for would-be small business owners. Citi Community Development supported the Childcare Business Pathways program, which connects New York City Housing Authority (NYCHA) residences with resources to build home-based childcare businesses. Childcare costs are a significant burden for parents, accounting for an average of 10 percent of median income for married couples and 36 percent of median income for single parents nationwide.[11] The Childcare Business Pathways program not only creates employment opportunities, but also helps meet a critical need for low- and middle-income families. This initiative replicates the successful model of Food Business Pathways, a free business accelerator program that was developed through a partnership between Citi Community Development and NYCHA. To date, Food Business Pathways has helped 167 graduates — 90 percent of them female — create 132 businesses.

Supporting Training and Development

Across the U.S., the Citi Foundation provides funding to community partners to empower entrepreneurs and small business owners with business development support and training that is invaluable in launching or growing their businesses. For example, through partnerships with eight community organizations across the New York Tri-State area, the Foundation invested more than $500,000 in business development programs that aim to reach more than 3,000 people in the region, with the majority focused on supporting women and/or minority business owners and entrepreneurs.

These kinds of programs are equally important to the success of small businesses outside the U.S. For example, in Poland, the Citi Foundation funded the Foundation for Women's Entrepreneurship to support the growth of women-led enterprises in Warsaw, by providing high-potential female entrepreneurs with access to intensive training, office space, mentorship, networking and technical assistance to design, manage and scale their companies.

Through one-on-one counseling, workshops, training, mentorship and access to networking and financing opportunities, these kinds of programs aim to empower current and potential business owners to strengthen their business models, improve their financial standing, create job opportunities and contribute to economic growth in their communities.

[10] U.S. Small Business Administration Office of Advocacy, *Small Business Quarterly Bulletin* (August 2017), page 1, https://www.sba.gov/sites/default/files/advocacy/Quarterly_Bulletin_FINAL_508_compliant.pdf.

[11] Childcare Aware of America, *Parents and the High Cost of Childcare* (January 2017), page 10, https://usa.childcareaware.org/wp-content/uploads/2017/12/2017_CCA_High_Cost_Report_FINAL.pdf.

CASE STUDY

Companies to Inspire Africa

Despite popular representations of Africa as uniformly underdeveloped, the continent is host to a diverse, high-potential private sector across 54 nations. However, many African companies need investment to reach their potential and to, in turn, accelerate economic growth and progress for people across the region.

In 2017, Citi provided support for the publication of *Companies to Inspire Africa* (CTIA), a groundbreaking report produced by the London Stock Exchange Group. The CTIA report breaks down, for the first time, Africa's fastest growing private companies by country and industry as they seek much-needed visibility and investment; it also profiles micro-economic success stories. The report includes a foreword by Manolo Falco, Citi's Head of Corporate and Investment Banking for Europe, Middle East and Africa, and highlights Africa's vast investment opportunities for an international audience. The report launched in April and was followed by regional events in five capitals across the continent.

Inclusive Economic Growth

Leveraging cross-sector partnerships and innovative approaches, Citi invests in microfinance and technology solutions that focus on reaching underserved markets around the world. 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**.

SDG SPOTLIGHT: GOAL 5
Gender Equality

Citi Inclusive Finance supports businesses, clients and transactions that aim to expand access to products and services in low-income communities. In partnership with Citi Export and Agency Finance, for example, Citi Inclusive Finance works with the Overseas Private Investment Corporation (OPIC) to provide financing to microfinance institutions that work with clients in developing countries around the world. To date Citi has funded 49 institutions in 25 countries with nearly half a billion dollars in debt capital that has helped to catalyze the efforts of over 1.3 million microentrepreneurs. In 2017, under the Global Inclusive Finance Framework, we expanded our collaboration with OPIC to include our first non-financial institution client. In August, Citi Turkey provided a $5 million loan to Işık Tarım, a Turkish organic produce manufacturer. The loan will allow the company to add 1,500 additional small farmers under its community-based and sustainable agribusiness model.

In the U.S., Citi has worked with microfinance provider Grameen America since 2008, providing specially designed Citi savings accounts to Grameen clients. The organization offers microloans, training and support to low-income female entrepreneurs. More than 12,000 of Grameen America's female clients have active Citi savings accounts with total balances of more than $3.75 million.

In February, Grameen America, Citi and Mastercard joined forces to develop fintech solutions that will help Grameen find new operational efficiencies and improve service and digital access for its network of entrepreneurs. As part of the upgrade, national field staff will be able to enter real-time data remotely, enabling better analysis of Grameen's impact. In addition, Grameen America will begin disbursing its loans with reloadable Mastercard cards, issued by Citi Prepaid Services, instead of checks. The switch will allow Grameen entrepreneurs – many of whom did not previously hold bank accounts – easier and safer access to funds.

CITI MICROENTREPRENEURSHIP AWARDS

The Citi Microentrepreneurship Awards (CMA) has been a signature component of the Citi Foundation's work on financial inclusion for over a decade. Since 2005, the CMA has focused on providing economic empowerment opportunities for microentrepreneurs in about 30 countries. To date, we have invested more than $23.5 million in microfinance networks and microfinance institutions, and provided $10.5 million in cash prizes to more than 6,000 entrepreneurs.

One notable example of the impact of the CMA is in Morocco. The Moroccan government has pushed microfinance as a valuable tool to combat poverty for over 20 years. Through the CMA, the Citi Foundation has worked with our in-country partner, the Mohammed VI Center for Microfinance and Solidarity (CMS), since 2012 to support the organization's mission to empower microentrepreneurs throughout the country, many of whom are women in hard-to-reach areas. CMS uses the annual CMA event to provide tailored training to women in traditionally male sectors, as well as resources on business formalization and financial education. To date, the Moroccan microfinance sector has served 1 million people, nearly half of them women.

Citi Microentrepreneurship Awards participant in Morocco

SUPPORTING AGRICULTURE IN INDIA

Agriculture is a critical part of India's economy and its largest provider of livelihoods. An estimated 44 percent of the country's population is employed in agriculture.[12] Technology, including the introduction of artificial intelligence and new sources of analytics, largely driven by ag-tech startups, is changing the way that rural farms operate and providing new solutions to boost agriculture across the country. Yet access to finance and concerns about money management and debt repayment are roadblocks to stability and growth for many rural farmers. For example, in the province of Tamil Nadu, researchers found that more than half of loans were through informal lenders charging up to 54 percent interest.[13]

Citi India has focused extensively on agriculture and has grown our portfolio in the segment significantly in recent years, including providing valuable crop loans and credit that enable farmers to secure inputs such as seeds, fertilizers and labor at very affordable rates. Our overall lending to the agriculture sector in India, led primarily by investment credit, has benefited almost 31,000 farmers. We also recognize the importance of helping these farmers improve the long-term sustainability of their businesses by building their financial capability. Citi supports a range of efforts focused on building the financial knowledge and skills of low-income families across India, and we are working to bring these resources to farmers in the coming years.

This support of agriculture is one part of Citi's effort to advance economic progress in India, along with financing affordable housing, micro- and small enterprises, economic development and trade.

Financial Inclusion

An estimated 2 billion adults around the world — in both developing and developed markets — remain outside the formal banking sector.

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, and is related to wider macroeconomic health. Banks have a responsibility to correct historical mistrust of financial institutions among many traditionally underbanked communities. Citi offers direct-to-consumer financial products and services that help improve financial resiliency and inclusion. We also work with partner organizations to increase access to financial services and provide educational resources in low-income communities.

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 goal **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 SPOTLIGHT: GOAL 8
Decent Work and Economic Growth

SDG SPOTLIGHT: GOAL 9
Industry, Innovation and Infrastructure

[12] "Employment in Agriculture (% of Total Employment)," The World Bank (website), accessed February 2018, https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS.
[13] IFMR Lead, Harvard University and Duke University, *Expensive but Worthwhile: Resolute Informal Financier Markets* (April 2016), page 1, http://www.ifmrlead.org/wp-content/uploads/2016/04/KGFS_Brief2_Financiers.pdf.

Access to Financial Products and Services

The unbanked benefit from products that are designed to meet the needs of that population. For example, Citi's Access Account – a simple, checkless bank account with low or no monthly fees and no overdraft fees – provides people with a straightforward way to save and manage their finances. It is one example of how smartly tailored solutions can serve once-overlooked markets, such as senior citizens, recent immigrants and low-income individuals. Citi branch employees have been trained on Access Account features and how to best communicate its value to potential customers. Representing 25 percent of all new checking account products, the Access Account is one of our fastest-growing consumer products.

Banks also have to be prepared to meet people where they are. For example, studies show that low-income communities of color favor cash transactions, making ATM access and fees especially important. In 2016, Citi launched its ATM Community Network pilot program, giving clients of minority-owned banks and credit unions access to our wide network of ATMs. Last year, the program added seven additional credit unions and banks, expanding our reach to allow more than 400,000 clients of participating institutions to withdraw cash from Citi's 2,400 national ATMs without surcharges.

We expanded surcharge-free ATMs for our Citibank customers in several large metropolitan markets, including Chicago, Los Angeles, New York and more. In January 2017, we signed an agreement with Cardtronics, the world's largest ATM owner/operator, to make an additional 30,000 ATMs at certain retail locations available for use for free for our customers. The agreement nearly doubles the number of surcharge-free ATMs in our network, providing greater convenience and service to our customers across the economic spectrum.

Mexico is one of Citi's largest consumer markets outside of the U.S. Nearly half of the country's citizens are unbanked, and Mexico's President has made the issue a national priority through the National Financial Inclusion Strategy (NFIS). 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 the NFIS with private-sector resources and expertise.

MICROINSURANCE FOR FINANCIAL SECURITY IN THE PHILIPPINES

Financial security can be an elusive aspiration for low-income families around the world, with the potential for a single financial shock – illness, natural disaster, economic instability, death in the family – resulting in financial ruin. Financial services, including products like insurance, can be critical to weathering these shocks. However, more than 3.8 billion people lack access to insurance. Microinsurance, a safety net product for those unable to afford traditional insurance products, can help to provide this security.

Since 2016, the Citi Foundation has supported RIMANSI, a microinsurance technical resource center established by leading microfinance institutions in the Philippines, to support community-based microinsurance associations across the country with training and customized technical assistance services, to increase organizational capacity, increase membership and improve member retention. RIMANSI has provided assistance to microinsurance mutual benefit associations with improving governance, including board and senior staff development, strategic planning and improving organizational structure. The organization has also worked to target new segments of the uninsured market and develop new products that improve the ability of providers to reach the underserved. Through these efforts, RIMANSI will provide access to greater financial stability to millions of households across the Philippines.

WORLD'S BEST BANK FOR FINANCIAL INCLUSION

Citi was awarded the 2017 Euromoney Magazine inaugural award for the "World's Best Bank for Financial Inclusion," acknowledging Citi's pioneering partnerships with governments, clients and microfinance institutions to build a more inclusive financial services industry.

Citi: World's Best Bank for Financial Inclusion

"Solving the challenge of the world's unbanked is going to take investment, innovation, and an ability to bring together key players in payments, fintech and microfinance. No bank is quite as committed to that combination as Citi." - Euromoney Magazine

CASE STUDY

Promoting Digital Financial Inclusion

Digital financial solutions — including mobile device-based platforms for financial accounts and transactions — have been touted as a potential "game-changer" for the world's poor for several years. While digital financial solution providers have made massive inroads into previously unreached communities around the world, there is still much progress to be made to improve policies and increase financial inclusion.

Since 2016, the Citi Foundation has supported the Consultative Group to Assist the Poor (CGAP) at the International Bank for Reconstruction and Development to implement a digital financial inclusion program in East Asia. This program engages policymakers and practitioners with digital financial inclusion experience in three markets — China, Indonesia and the Philippines — to tackle the challenges they face in promoting innovations in the digital delivery of financial services to the unserved and underserved in their markets and sharing those experiences globally. Through its efforts, CGAP helps policymakers compile and share best practices across the region and around the world.

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. Out of 5.4 million active accounts, more than 80 percent of customers were new to banking, and 1.3 million use Transfer to receive government benefits. Approximately 9,000 accounts are being opened every day.

Financial Capability and Resiliency

Consumer education is a key component of building a more inclusive financial system. It's not enough to have access to financial products and services — consumers need to know how to use these products responsibly and how to protect their own best interests.

Citi offers a range of free financial education resources online. We also provide support to financial capability programs around the world. For example, we work with several municipal and community partners to run a financial counseling service serving Mexican immigrants. Like many other immigrant groups, many in the Mexican community in the U.S. often lack previous exposure to formal financial services and are wary of hidden fees and large institutions. The Ventanilla de Asesoría Financiera (Financial Counseling Window) operates within the Mexican Consulate and offers beneficiaries advice on banking services and money management. The Ventanilla was initially formed in New York City, in partnership with the NYC Department of Consumer Affairs Office of Financial Empowerment, the Cities for Financial Empowerment Fund, Ariva and Qualitas Foundation. Since then, Citi Community Development has also led the expansion to seven additional cities: Chicago, Dallas, Houston, Los Angeles, San Diego, San Francisco and San Jose.

We also have a long-running relationship with the New York City Office of Financial Empowerment (OFE). Since 2008, Citi and the Citi Foundation have contributed more than $1.5 million in funding to the OFE to help scale their efforts to improve the financial well-being of low-income families in the city. The OFE provides free financial education, coaching and counseling programs focused on helping their clients stabilize their financial future by saving money, building credit and paying down debt. The OFE model has since expanded to Boston, Chicago, San Francisco and Los Angeles.

SUPPORTING U.S. VETERANS

Once military service members return home, there is a lot of catching up to do and veterans often face difficulties reestablishing themselves after duty. One aspect of this is improving financial capability, particularly for veterans who may be working toward big life steps such as homeownership or starting a family. Money Management International leads the Clearpoint Reconnect program, an initiative to help veterans that may be struggling to manage their finance. The program, which Citi has supported since 2012, offers free financial education resources and an interactive website to help military families meet their financial goals. Clearpoint Reconnect has added 7,000 registered users since 2012, and in 2017 the organization hosted 1,278 military members at 124 events and workshops. Support for this program is part of Citi Salutes, our firm-wide initiative to meet the unique needs of service members, veterans and their families in the areas of employment, financial capability and housing.

These programs have been focused on real-world impacts that improve the lives of local citizens. For example in 2017, a year after launching the Boston OFE, the city, along with Citi Community Development (CCD) and other partners, launched an ambitious goal for building up the credit profiles of its citizens. The Boston Builds Credit program, the nation's first citywide credit-building initiative, aims to help 25,000 residents reach a prime credit score (defined as a 660 FICO) by 2025. This initiative will help ensure that the city's most vulnerable residents can build a financial profile that will enable them to achieve their goals.

Another example of focused financial capability interventions is the Earned Income Tax Credit (EITC) awareness campaign led by New York City and supported by Citi for the past several years. The EITC can be a substantial lump-sum payment for many low-income households. However, many people are not aware of their eligibility for this program and miss a valuable opportunity to pay down debt or save money. NYC Free Tax Prep, led by the city of New York in partnership with participating nonprofit organizations, is a marketing campaign to increase awareness of the EITC, along with free tax preparation services for qualified individuals. In 2017, NYC Free Tax Prep helped return nearly $150 million in fee savings and tax credits to 113,000 households.

[14] "Mayor Garcetti Announces Free Tax Prep," City of Los Angeles (website), accessed January 2018, https://www.lamayor.org/mayor-garcetti-announces-free-tax-prep-los-angeles-support-low-income-working-families.

In 2017, CCD supported the most comprehensive EITC program in Los Angeles County to date. The Free Tax Prep Los Angeles Campaign, a joint initiative between the city and county of Los Angeles, CCD and community partners, launched in February 2017 to facilitate access to free tax preparation services and the EITC for eligible filers. Los Angeles is home to 60 percent of California's eligible EITC filers, yet families leave over half a billion dollars of unclaimed tax credits on the table every year.[14]

The Future of Work

There are more than 1.2 billion young people around the world, with over 150 million working but still living in poverty, and 71 million unemployed. New approaches are needed to help young people develop the agile and versatile skill sets necessary to compete for meaningful, stable employment opportunities and be effectively prepared for the rapidly evolving job market of the future. Through our 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.**

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 down on its dedication to this cause with a new three-year, $100 million commitment — the largest philanthropic commitment in the Foundation's history. This builds on its previous $50 million effort in the U.S., which helped over 100,000 young people become career-ready and employable.

With the Foundation's new $100 million commitment, they are aiming to reduce youth unemployment in cities around the globe and are partnering with community organizations and municipal leaders to connect 500,000 young people around the world to jobs, internships, business training and leadership development. Citi is also mobilizing 10,000 Citi employee volunteers to serve as mentors and coaches and provide professional advice to help young people move toward their career goals.

The expansion of Pathways to Progress also addresses the findings of a recent Citi Foundation-funded global youth study: *Global Youth Survey 2017: Economic Prospects & Expectations*. The study, conducted by Ipsos, polled more than 7,000 young people in 32 countries and found that, despite political, economic and social upheaval, young people around the world are optimistic about their career prospects, but face the reality of limited opportunities and a skills mismatch for many available jobs. Through these efforts, the Citi Foundation aims to help bridge that skills divide and ensure that young people are well positioned to enter the workforce.

See pages 110-113 for more information on the impact of Pathways to Progress.

SDG SPOTLIGHT: GOAL 8
Decent Work and Economic Growth

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.

PATHWAYS TO PROGRESS

2020 CITI FOUNDATION GLOBAL COMMITMENT IMPACTS ON YOUTH: 2017

PATHWAYS TO PROGRESS: PARTICIPANT VOICES

"The program helped me transform my social enterprise from a class project into my life's mission."

Yusef | Mexico
Yusef is the founder of Vitaluz, a social enterprise that promotes the use of solar power in off-grid communities. After he participated in Citibanamex Fomento Social's New Ventures Exponential program, where young entrepreneurs receive seed capital to develop and implement their business ideas, Yusef manufactured and installed Vitaluz's first 10 solar panel systems in a community that had no access to government electricity. He received additional funding to install 138 solar panels in schools, providing students with lighting and access to technology.

"Our business aspirations are to create a sustainable business that can be up-scaled into multiple franchises in major centers and hopefully across the continent."

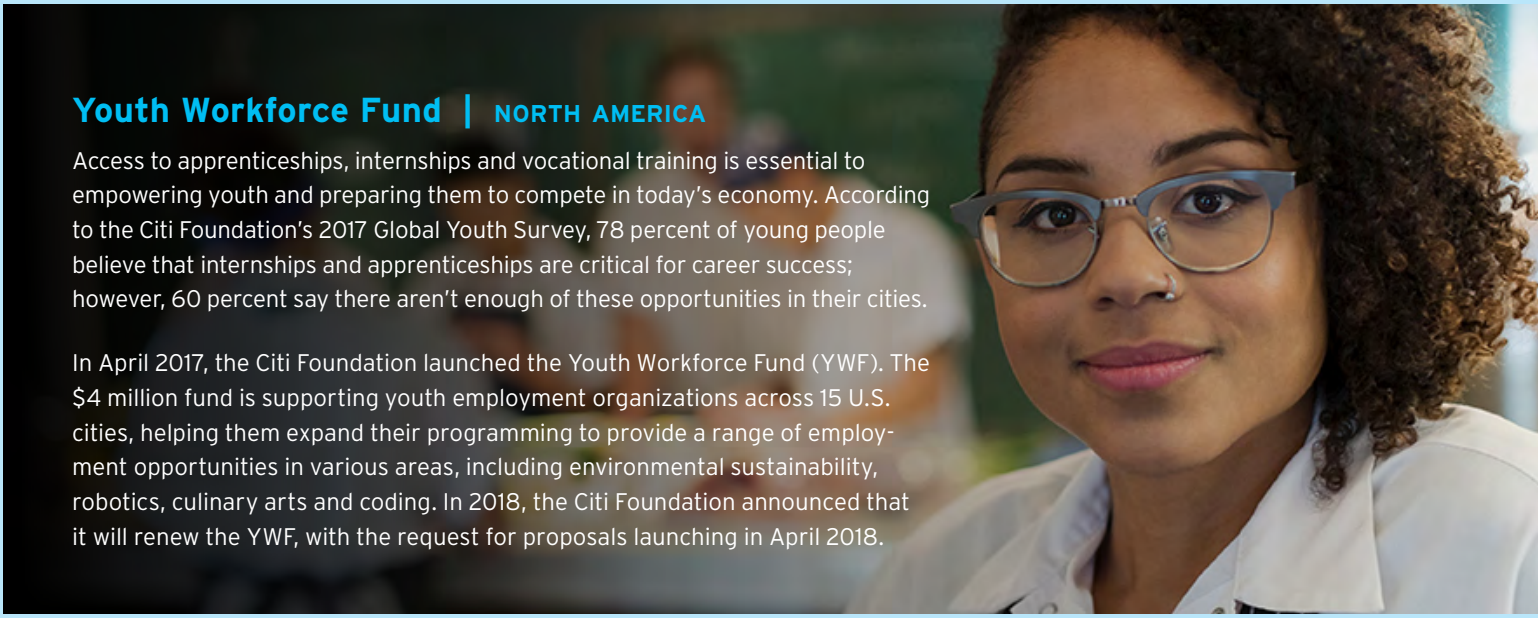
Mpumelelo and Lawrence | South Africa
Mpumelelo and Lawrence are young entrepreneurs who recently opened their first business venture – a coffee shop called Kofi in the Soweto Township of Johannesburg. They opened Kofi after participating in TechnoServe's Box Shop Program, which connects local entrepreneurs with wider markets and links them to stable supply chains. Mpumelelo and Lawrence believe that the program gave them a platform to achieve their dream of bringing a product they believe in – their coffee – to market.

"I aspire to help people make more informed and rational economic decisions and ideally make the society I am living in a more just and sensible one."

Lei | Singapore
Lei, a university student in Singapore, was unsure which of her many interests would translate into a successful career. After participating in the Citi Foundation–YMCA Youth For Causes Program, she realized her passion for socially minded development and declared a major in economics.

"I used the skills I obtained at Citi to start my career in the IT field. I'm so grateful for this opportunity, which enabled me to pursue my goals."

Vanessa | U.S.
After graduating with a computer science degree, Vanessa enrolled in an NPower program to boost her real-world credentials and find a full-time job. After an internship at Citi, she obtained a full-time job running the IT system of a local community organization.



Youth Workforce Fund | NORTH AMERICA

Access to apprenticeships, internships and vocational training is essential to empowering youth and preparing them to compete in today's economy. According to the Citi Foundation's 2017 Global Youth Survey, 78 percent of young people believe that internships and apprenticeships are critical for career success; however, 60 percent say there aren't enough of these opportunities in their cities.

In April 2017, the Citi Foundation launched the Youth Workforce Fund (YWF). The $4 million fund is supporting youth employment organizations across 15 U.S. cities, helping them expand their programming to provide a range of employment opportunities in various areas, including environmental sustainability, robotics, culinary arts and coding. In 2018, the Citi Foundation announced that it will renew the YWF, with the request for proposals launching in April 2018.

PATHWAYS TO PROGRESS: PARTNER EXAMPLES

Youth Co:Lab | ASIA PACIFIC

The Citi Foundation and the United Nations Development Programme (UNDP) have partnered to launch Youth Co:Lab, which empowers young people to lead through entrepreneurship and social innovation. Youth Co:Lab includes a series of National Dialogues and Social Innovation Challenges across the Asia-Pacific region. National Dialogues enable young people to directly engage with policymakers, private-sector partners, NGOs and others, to discuss challenges and solutions for encouraging youth entrepreneurship across the region. Social Innovation Challenges, akin to startup hackathons, enable participants to showcase their proposed ideas. Youth Co:Lab serves as a platform for enabling youth-led social enterprises that are tackling some of the region's most significant development challenges and contributing to the SDGs.

International Rescue Committee | EUROPE, MIDDLE EAST & AFRICA

The global refugee crisis that has gained worldwide attention in recent years will have long-reaching effects for many. Millions of young people continue to be swept up in war and displacement, disrupting their lives and putting their future at risk as education and work opportunities are lost. Creative interventions are needed to help get refugees, who face enormous social and economic hurdles, back on track. The Citi Foundation announced a new partnership with the International Rescue Committee to provide refugees, internally displaced young people and vulnerable youth living in host communities with support to help them generate reliable incomes and contribute to their local economies. The partnership includes a $2 million grant to fund Rescuing Futures, a program that will provide business training and startup grants to help nearly 1,000 young people in three cities — Athens, Greece; Amman, Jordan; and Yola, Nigeria — start their own businesses and build a better economic future over a period of two years.

Creando tu Futuro | LATIN AMERICA

The Citi Foundation works with the Global Fairness Initiative (GFI) to implement Creando tu Futuro, an innovative job skills training program aimed at building a strong foundation of technical knowledge and life skills for low-income youth in Latin America. Through the program, youth in Colombia, Argentina and the Dominican Republic participate in both online learning modules and classroom instruction that teach the technical and personal skills necessary for financially sustainable jobs in the organized sector. The Citi Foundation's support also enables the GFI to conduct youth unemployment studies using data gathered through the program. The findings are used to catalyze the dialogue around youth unemployment among global influencers in the field.

Jóvenes de Excelencia | MEXICO

In Mexico, Citibanamex Compromiso Social's Jóvenes de Excelencia program supports high-achieving low-income university students who aspire to complete their master's degrees at top universities abroad. Participating youth receive support and guidance throughout the admission process, including mentorship, exam prep, English language proficiency training and internship opportunities, with the goal of increasing their success when applying to master's programs. Once accepted, youth are presented with a wide range of options for financial support along with continued mentoring from professionals who have received their master's degrees abroad. This program is contributing to the social mobility of youth in Mexico, who develop their knowledge and leadership skills abroad and then apply these skills toward the development of their local communities upon their return home.

PATHWAYS TO PROGRESS: CITI EMPLOYEE VOLUNTEERS

Citi employee volunteers play a powerful role in our Pathways to Progress programs around the globe, acting as mentors, coaches and role models to young adults in support of their career ambitions.

> ***In today's complex environment, we need competent leaders who bring their respective strengths and styles to build a better world together, and these future leaders need mentors to help guide them.***

Gary | Asia Pacific

Gary has been serving as a mentor to youth for the past nine years through the YMCA Youth For Causes Program, where youth, with guidance from mentors like him, design and implement social entrepreneurship projects to benefit local nonprofit organizations of their choice.

> ***There are so many students who could really benefit from the advice and knowledge that a professional adult can impart, and mentoring can be mutually beneficial.***

Farjana | North America

Farjana has been mentoring Rosemary for more than two years. When they first met, Rosemary was struggling academically and did not see college as a part of her future. With Farjana's support, tutoring, summer school, a few extra classes and a lot of hard work, Rosemary graduated high school on time and is now enrolled in a culinary arts program.

> ***The level of empathy that these young leaders and innovators demonstrated provided me with a great perspective on how to make a positive impact on people's lives.***

Mark | Asia Pacific

Mark has been mentoring Lisa for the past six months as part of the Young Social Pioneers Program. The program helps indigenous youth develop, design and implement social impact projects that are providing innovative solutions to local community challenges. With the help of Mark's support and coaching, Lisa took home the $10,000 grand prize, which will help kick-start her social enterprise, Yuludarla Karulbo.

APPENDICES

2017 Sustainable Progress 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	2017 PROGRESS
Environmental finance goal	$100 billion	2023	**$57B**
Environmental impact tracking*	Total annual CO_2e emissions avoided		**4.5M+** (MT)
Social impact tracking*	Jobs supported by renewable energy project finance and tax equity activity (includes direct, indirect and induced jobs)		**104K+** JOBS
	Annual riders on transit system projects		**10B** RIDES
	People serviced by water-quality projects		**43M+** PEOPLE
	Families serviced by affordable housing activity		**4K+** FAMILIES

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT – Manage environmental and social risks and impacts associated with client transactions and our financial products and services

GOAL	2017 PROGRESS	
ESRM Policy continuous improvements	• Updated Citi's ESRM Policy to strengthen requirements related to consultation of Indigenous Peoples in developed countries	• Created new Area of High Caution related to projects or activities with elevated human rights risks • Developed internal guidance to help screen for risks related to Indigenous Peoples and human rights
Internal training	• Worked with Citi training platform to integrate the Equator Principles Association's e-training module, which will be available in 2018	• Trained 519 risk managers and bankers on ESRM
Portfolio-level analysis of high-risk sectors	• Screened our portfolio of midstream oil and gas clients to understand the level of environmental and social risk of proposed pipelines	• Scanned all industry sectors in Citi's corporate client portfolio to identify which sectors may present elevated human rights risks and determine if those sectors are adequately covered under existing ESRM Policy
Monitoring of emerging risks & trends	• Continued to develop the ESRM Watchlist to flag high-risk companies	• Researched emerging technologies clients can use to monitor labor welfare and community opinion
Building global capacity	• Presented at a World Wildlife Fund conference in 2017 on how banks evaluate ESG risks in the seafood industry	• Worked with Brazilian financial authorities on a greenhouse gas disclosure framework

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

OPERATIONS – Minimize our impacts across Citi's entire portfolio of 7,700 owned and leased facilities

GOAL	METRIC	BY	2017 PROGRESS
Environmental footprint	100% use of renewable energy for facilities globally	2020	18%
	30% reduction in energy consumption (compared with 2005 baseline)	2020	29%
	30% reduction in water consumption (compared with 2005 baseline)	2020	29%
	10% of water used coming from reclaimed/recycled sources	2020	5%
	60% diversion of waste stream to landfill (compared with 2005 baseline)	2020	61%
	33% of global real estate portfolio LEED certified	2020	22%

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

GOAL	METRIC	BY*	2017 PROGRESS
Establish supply chain policies: • Paper and paper products • IT hardware and e-waste disposal • Travel and logistics	Policies finalized and implemented	2019	Further socialized existing position statements across our Enterprise Supply Chain (ESC) and included them in our ESC's Global Operating Procedures.
Update Statement of Supplier Principles	Statement updated and disseminated	2019	Updated our Standards for Suppliers in 2017, an interim step towards this goal. The next step is to formally update our Statement of Supplier Principles.
Integration of Supplier Principles into master contracts	Supplier Principles integrated into 100% of master contracts for suppliers	2019	20% of supplier master contracts include Supplier Principles. We are continuing to work with sourcing leads on integration into master contracts with suppliers.
Corporate Responsibility Questionnaire (CRQ) rolled out to all regions	100% of suppliers complete the CRQ	2019	100% of top tier suppliers have completed the CRQ. We continued to systematize the embedding of the CRQ within the supplier selection process.
Internal/external training	100% of ESC employees complete training	2019	80% of ESC employees have completed training.
	100% of suppliers complete training	2019	70% of all suppliers completed training.

* Previously reported milestone data included different completion dates. In 2017, we realigned our supply chain scorecard so all metrics are in relation to 2019.

Global Reporting Initiative Content Index

We prepared this report in accordance with the Global Reporting Initiative (GRI) Standards: Core option. We also reported on many indicators 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 indicators relevant to our business.

Please visit the GRI website for the full text of the indicators and other information on the guidelines.

DISCLOSURE NUMBER	DISCLOSURE 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	Citi at a Glance 2017 10-K pages 4-5
102-3	Location of headquarters	Fully	388 Greenwich Street, New York, NY 10013
102-4	Location of operations	Fully	Letter from Our CEO Citi at a Glance Citi Website - Countries and Jurisdictions
102-5	Ownership and legal form	Fully	2017 10-K page 4
102-6	Markets served	Fully	Letter from Our CEO Citi at a Glance 2017 10-K pages 4-8
102-7	Scale of the organization	Fully	Citi at a Glance 2017 10-K pages 4-8
102-8	Information on employees and other workers	Fully	Talent and Diversity > Citi's Global Workforce Citi may engage external service providers who may be responsible for performing a non-core business activity, or non-employee resources that 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 that include project based work for a defined period of time, specialized/niche skill set that are not readily available, professional and outsourced services. There is no significant variations in employment numbers (such as seasonal variations in employment).
102-9	Supply chain	Fully	Operations and Supply Chain > Responsible Sourcing
102-10	Significant changes to the organization and its supply chain	Fully	2017 Annual Report
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.

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING STATUS	REPORT SECTION OR OTHER DOCUMENTATION
102-12	External initiatives	Fully	• CDP • Equator Principles • International Finance Corporation's Environmental and Social Performance Standards • International Finance Corporation's Environmental, Health and Safety Guidelines • International Labour Organization Core Conventions • Natural Capital Declaration • 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	Conduct and Culture > Industry Collaboration Conduct and Culture > Public Policy
102-14	Statement from senior decision-maker	Fully	Letter from Our CEO
102-15	Key impacts, risks and opportunities	Fully	Letter from Our CEO Citizenship Approach > Our Material Issues Citizenship Approach > Citizenship Governance at Citi Sustainable Progress Strategy 2017 10-K pages 54-63
102-16	Values, principles, standards and norms of behavior	Fully	About This Report Conduct and Culture Code of Conduct Code of Ethics for Financial Professionals
102-17	Mechanisms for advice and concerns about ethics	Fully	Conduct and Culture > Conduct and Culture at Citi Ethics Hotline
102-18	Governance structure	Fully	Citizenship Approach > Citizenship Governance at Citi 2018 Proxy Statement pages 29-37 Board Charters Corporate Governance Guidelines pages 1, 5 Nomination, Governance and Public Affairs Committee Charter Board of Directors
102-19	Delegating authority	Fully	Citizenship Approach > Citizenship Governance at Citi 2018 Proxy Statement pages 46-51 Board Charters
102-20	Executive-level responsibility for economic, environmental and social topics	Fully	Citizenship Approach > Citizenship Governance at Citi 2018 Proxy Statement pages 46-51 Board Charters
102-21	Consulting stakeholders on economic, environmental and social topics	Fully	Citizenship Approach > Citizenship Governance at Citi Human Rights > Case Study: Stakeholders Heard Through Due Diligence Process 2018 Proxy Statement pages 46-51 Board Charters
102-22	Composition of the highest governance body and its committees	Fully	2018 Proxy Statement pages 32-37, 51-66

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING STATUS	REPORT SECTION OR OTHER DOCUMENTATION
102-23	Chair of the highest governance body	Fully	The Chairman of the Board is a nonexecutive, independent director. 2018 Proxy Statement page 29
102-24	Nominating and selecting the highest governance body	Fully	2018 Proxy Statement pages 46-51 Nomination, Governance and Public Affairs Committee Charter
102-25	Conflicts of interest	Fully	2018 Proxy Statement pages 26, 41, 102
102-26	Role of highest governance body in setting purpose, values, and strategy	Fully	Citizenship Approach > Citizenship Governance at Citi 2018 Proxy Statement page 22
102-27	Collective knowledge of highest governance body	Fully	Citizenship Approach > Citizenship Governance at Citi Human Rights > Governance, Policy Development and Updates
102-28	Evaluating the highest governance body's performance	Fully	2018 Proxy Statement pages 46-51 Corporate Governance Guidelines pages 5-6
102-29	Identifying and managing economic, environmental, and social impacts	Fully	Citizenship Approach > Citizenship Governance at Citi Citizenship Approach > Stakeholder Engagement at Citi Human Rights > Case Study: Stakeholders Heard Through Due Diligence Process Citigroup Inc. Risk Management Committee Charter 2018 Proxy Statement pages 26, 30-31 Nomination, Governance and Public Affairs Committee Charter
102-30	Effectiveness of risk management processes	Fully	Citizenship Approach > Citizenship Governance at Citi Nomination, Governance and Public Affairs Committee Charter
102-31	Review of economic, environmental and social topics	Fully	At least annually Citizenship Approach > Citizenship Governance at Citi 2018 Proxy Statement page 29
102-32	Highest governance body's role in sustainability reporting	Fully	Executive Vice President, Global Public Affairs
102-33	Communicating critical concerns	Fully	Conduct and Culture > Managing Compliance Risk Code of Conduct 2018 Proxy Statement page 43
102-35	Remuneration policies	Fully	Talent and Diversity > Compensation Personnel and Compensation Committee Charter pages 1-4 2018 Proxy Statement page 67-69
102-36	Process for determining remuneration	Fully	Talent and Diversity > Compensation Personnel and Compensation Committee Charter pages 1-4 2018 Proxy Statement page 67
102-37	Stakeholders' involvement in remuneration	Fully	Talent and Diversity > Compensation Personnel and Compensation Committee Charter pages 1-4
102-40	List of stakeholder groups	Fully	Stakeholder Engagement at Citi
102-41	Collective bargaining agreements	Fully	Human Rights > Respecting the Human Rights of Our Employees
102-42	Identifying and selecting stakeholders	Fully	Stakeholder Engagement at Citi Conduct and Culture > Industry Collaboration Human Rights > Case Study: Stakeholders Heard Through Due Diligence Process

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING STATUS	REPORT SECTION OR OTHER DOCUMENTATION
102-43	Approach to stakeholder engagement	Fully	Citizenship Approach > Our Material Issues Stakeholder Engagement at Citi Human Rights > Case Study: Stakeholders Heard Through Due Diligence Process
102-44	Key topics and concerns raised	Fully	Stakeholder Engagement at Citi Conduct and Culture > Industry Collaboration Human Rights > Case Study: Stakeholders Heard Through Due Diligence Process Human Rights > Governance, Policy Development and Updates Human Rights > Our Commitment to Respect Human Rights Wherever We Operate Environmental and Social Risk Management
102-45	Entities included in the consolidated financial statements	Fully	2017 10-K pages 4-5
102-46	Defining report content and topic Boundaries	Fully	Citizenship Approach > Our Material Issues
102-47	List of material topics	Fully	Citizenship Approach > Our Material Issues
102-48	Restatements of information	Fully	There are no such restatements for this reporting period.
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 2017.
102-51	Date of most recent report	Fully	April 2017
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
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Approach > Citizenship Governance at Citi
103-3	Evaluation of the management approach	Fully	Citizenship Approach > Citizenship Governance at Citi

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING STATUS	REPORT SECTION OR OTHER DOCUMENTATION
GRI 201: ECONOMIC PERFORMANCE 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Approach > Citizenship Governance at Citi 2017 10-K pages 6-8
103-3	Evaluation of the management approach	Fully	Citizenship Approach > Citizenship Governance at Citi 2017 10-K pages 6-8
201-1	Direct economic value generated and distributed	Fully	2017 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 Operations and Supply Chain > Resource Use and Environmental Impacts Environmental Finance > Citi's $100 Billion Environmental Finance Goal Environmental and Social Risk Management > Climate-related Risk Inclusive and Resilient Communities > Infrastructure 2017 10-K pages 79, 304
201-3	Defined benefit plan obligations and other retirement plans	Fully	Citi Benefits Online
GRI 202: MARKET PRESENCE 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citi's Value Proposition: A Mission of Enabling Growth and Progress Citizenship Governance at Citi 2017 10-K pages 4-8
103-3	Evaluation of the management approach	Fully	Citi's Value Proposition: A Mission of Enabling Growth and Progress Citizenship Governance at Citi 2017 10-K pages 4-8
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.
GRI 203: INDIRECT ECONOMIC IMPACTS 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues Inclusive and Resilient Communities
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Environmental Finance Inclusive and Resilient Communities
103-3	Evaluation of the management approach	Fully	Citizenship Governance at Citi Environmental Finance Inclusive and Resilient Communities

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING STATUS	REPORT SECTION OR OTHER DOCUMENTATION
203-1	Infrastructure investments and services supported	Fully	Environmental Finance Inclusive and Resilient Communities > Infrastructure Inclusive and Resilient Communities > Affordable Housing and Homeownership
203-2	Significant indirect economic impacts	Fully	Citi's Value Proposition: A Mission of Enabling Growth and Progress Environmental Finance > Environmental and Social Impacts Achieved Through Our $100 Billion Goal Inclusive and Resilient Communities > Affordable Housing and Homeownership Inclusive and Resilient Communities > Innovative Local Government and Community Change Agents Inclusive and Resilient Communities > Financial Inclusion Inclusive and Resilient Communities > The Future of Work
GRI 205: ANTI-CORRUPTION 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Conduct and Culture > Managing Compliance Risk Conduct and Culture > Ethics Program
103-3	Evaluation of the management approach	Fully	Citizenship Governance at Citi Conduct and Culture > Managing Compliance Risk Conduct and Culture > Ethics Program
205-1	Operations assessed for risks related to corruption	Fully	Conduct and Culture > Managing Compliance Risk Anti-Bribery and Corruption Statement
205-2	Communication and training about anti-corruption policies and procedures	Fully	We do not report quantitatively on training for management or business partners. Anti-corruption training is performed globally, therefore we do not disclose such information by region. Conduct and Culture > Managing Compliance Risk Anti-Bribery and Corruption Statement
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Governance at Citi 2017 10-K pages 61-64, 283-290
103-3	Evaluation of the management approach	Fully	Citizenship Governance at Citi 2017 10-K pages 61-64, 283-290
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Fully	2017 10-K pages 61-64, 283-290
GRI 302: ENERGY 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING STATUS	REPORT SECTION OR OTHER DOCUMENTATION
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Citizenship Approach > Citi's Support for Global Climate-Related Disclosures Operations and Supply Chain > Resource Use and Environmental Impacts Sustainable Progress Strategy
103-3	Evaluation of the management approach	Fully	Citizenship Approach > Citi's Support for Global Climate-Related Disclosures Operations and Supply Chain > Resource Use and Environmental Impacts Sustainable Progress Scorecard
302-1	Energy consumption within the organization	Fully	Operations and Supply Chain > Environmental Performance for Operations Operations and Supply Chain > Environmental Impact Report
302-3	Energy intensity	Fully	Operations and Supply Chain > Environmental Performance for Operations
302-4	Reduction of energy consumption	Fully	Operations and Supply Chain > Environmental Performance for Operations Operations and Supply Chain > Environmental Impact Report
GRI 305: EMISSIONS 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Citizenship Approach > Citi's Support for Global Climate-Related Disclosures Operations and Supply Chain > Resource Use and Environmental Impacts Sustainable Progress Strategy
103-3	Evaluation of the management approach	Fully	Citizenship Governance at Citi Citizenship Approach > Citi's Support for Global Climate-Related Disclosures Operations and Supply Chain > Resource Use and Environmental Impacts Sustainable Progress Scorecard
305-1	Direct (Scope 1) GHG emissions	Fully	Operations and Supply Chain > Environmental Performance for Operations Operations and Supply Chain > Environmental Impact Report
305-2	Energy indirect (Scope 2) GHG emissions	Fully	Operations and Supply Chain > Environmental Performance for Operations
305-3	Other indirect (Scope 3) GHG emissions	Fully	Operations and Supply Chain > Environmental Impact Report
305-4	GHG emissions intensity	Fully	Operations and Supply Chain > Environmental Impact Report
305-5	Reduction of GHG emissions	Fully	Operations and Supply Chain > Environmental Performance for Operations Operations and Supply Chain > Environmental Impact Report
GRI 306: EFFLUENTS AND WASTE 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues Operations and Supply Chain > Resource Use and Environmental Impacts
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Operations and Supply Chain > Resource Use and Environmental Impacts Operations and Supply Chain > Responsible Sourcing Sustainable Progress Strategy
103-3	Evaluation of the management approach	Fully	Operations and Supply Chain > Responsible Sourcing Sustainable Progress Scorecard
306-2	Waste by type and disposal method	Fully	Citi did not generate any hazardous waste during the reporting period. Operations and Supply Chain > Environmental Impact Report

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING STATUS	REPORT SECTION OR OTHER DOCUMENTATION
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Operations and Supply Chain > Responsible Sourcing Sustainable Progress Strategy
103-3	Evaluation of the management approach	Fully	Sustainable Progress Scorecard
308-1	New suppliers that were screened using environmental criteria	Fully	Operations and Supply Chain > Supplier Engagement and Evaluation Sustainable Progress Scorecard
GRI 401: EMPLOYMENT 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Talent and Diversity > Managing Diversity
103-3	Evaluation of the management approach	Fully	Talent and Diversity > Managing Diversity
401-1	New employee hires and employee turnover	Fully	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	Talent and Diversity > Workforce Well-Being Citi Benefits Online
GRI 404: TRAINING AND EDUCATION 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues Talent and Diversity > Learning and Development
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Talent and Diversity > Learning and Development
103-3	Evaluation of the management approach	Fully	Talent and Diversity > Learning and Development
404-1	Average hours of training per year per employee	Fully	Talent and Diversity > Learning and Development Talent and Diversity > Employee Training by Region - Hours per Employee Talent and Diversity > Summary of Training Hours
404-2	Programs for upgrading employee skills and transition assistance programs	Fully	Talent and Diversity > Learning and Development
404-3	Percentage of employees receiving regular performance and career development reviews	Fully	Talent and Diversity > Employee Evaluations

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING STATUS	REPORT SECTION OR OTHER DOCUMENTATION
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues Talent and Diversity > Managing Diversity Human Rights > Respecting the Human Rights of Our Employees
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Talent and Diversity > Managing Diversity Talent and Diversity > Fair Employment Practices Human Rights > Respecting the Human Rights of Our Employees Human Rights > Our Commitment to Respect Human Rights
103-3	Evaluation of the management approach	Fully	Talent and Diversity > Managing Diversity Talent and Diversity > Fair Employment Practices Human Rights > Respecting the Human Rights of Our Employees
405-1	Diversity of governance bodies and employees	Fully	2018 Proxy Statement page 30 Board of Directors
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues Human Rights > Respecting the Human Rights of Our Employees
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Talent and Diversity > Fair Employment Practices Human Rights > Respecting the Human Rights of Our Employees
103-3	Evaluation of the management approach	Fully	Talent and Diversity > Fair Employment Practices Human Rights > Respecting the Human Rights of Our Employees
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Fully	Human Rights > Respecting the Human Rights of Our Employees Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners
GRI 408: CHILD LABOR 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues Human Rights > Respecting the Human Rights of Our Employees
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Human Rights > Respecting the Human Rights of Our Employees Human Rights > Respecting Human Rights in Our Financing Decisions Human Rights > Citi's Response to the UK Modern Slavery Act UK Modern Slavery Act Transparency Statement
103-3	Evaluation of the management approach	Fully	Human Rights > Respecting the Human Rights of Our Employees Human Rights > Respecting Human Rights in Our Financing Decisions Human Rights > Citi's Response to the UK Modern Slavery Act
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.

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING STATUS	REPORT SECTION OR OTHER DOCUMENTATION
GRI 409: FORCED OR COMPULSORY LABOR 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues Human Rights > Respecting the Human Rights of Our Employees
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Human Rights > Respecting the Human Rights of Our Employees Human Rights > Respecting Human Rights in Our Financing Decisions Human Rights > Citi's Response to the UK Modern Slavery Act UK Modern Slavery Act Transparency Statement
103-3	Evaluation of the management approach	Fully	Human Rights > Respecting the Human Rights of Our Employees Human Rights > Respecting Human Rights in Our Financing Decisions Human Rights > Citi's Response to the UK Modern Slavery Act
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 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 other high risk products or services, nor do we directly procure any other raw materials, goods or services in significant amounts from suppliers based in high risk jurisdictions. Human Rights > Citi's Response to the UK Modern Slavery Act
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	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	Human Rights > Our Commitment to Respect Human Rights Human Rights > Respecting Human Rights in Our Financing Decisions
411-1	Incidents of violations involving rights of Indigenous Peoples	Fully	Environmental and Social Risk Management > Our ESRM Policy Human Rights > Transactions Reviewed Under Citi's Statement on Human Rights
GRI 412: HUMAN RIGHTS ASSESSMENT 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Human Rights > Respecting the Human Rights of Our Employees Human Rights > Our Commitment to Respect Human Rights Human Rights > Respecting Human Rights in Our Financing Decisions Statement on Human Rights Statement of Supplier Principles
103-3	Evaluation of the management approach	Fully	Human Rights > Respecting the Human Rights of Our Employees Human Rights > Our Commitment to Respect Human Rights Human Rights > Respecting Human Rights in Our Financing Decisions
412-1	Operations that have been subject to human rights reviews or impact assessments	Fully	Environmental and Social Risk Management > Our ESRM Policy Human Rights > Transactions Reviewed Under Citi's Statement on Human Rights

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING STATUS	REPORT SECTION OR OTHER DOCUMENTATION
412-2	Employee training on human rights policies or procedures	Fully	Environmental and Social Risk Management > Enhancing Our Training Human Rights > Respecting the Human Rights of Our Employees Human Rights > Continuous Learning and Improvement Code of Conduct
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Fully	Human Rights > Respecting Human Rights in Our Financing Decisions
GRI 413: LOCAL COMMUNITIES 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues Operations and Supply Chain Environmental and Social Risk Management Environmental Finance Inclusive and Resilient Communities
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Operations and Supply Chain > Employee Engagement Environmental and Social Risk Management Environmental Finance Inclusive and Resilient Communities
103-3	Evaluation of the management approach	Fully	Operations and Supply Chain > Employee Engagement Environmental and Social Risk Management Environmental Finance Inclusive and Resilient Communities
413-1	Operations with local community engagement, impact assessments and development programs	Partially	Stakeholder Engagement at Citi Human Rights > Engaging Stakeholders on Human Rights Human Rights > Case Study: Stakeholders Heard Through Due Diligence Process Inclusive and Resilient Communities
413-2	Operations with significant actual and potential negative impacts on local communities	Fully	Environmental and Social Risk Management > Our ESRM Policy Environmental and Social Risk Management > Case Study: Working Toward a More Sustainable, Transparent Palm Oil Industry
FS13	Access points in low-populated or economically disadvantaged areas by type	Fully	Digital Innovation > Customer-Centric Solutions Inclusive and Resilient Communities > Financial Inclusion
FS14	Initiatives to improve access to financial services for disadvantaged people	Fully	Digital Innovation > Customer-Centric Solutions Inclusive and Resilient Communities > Financial Inclusion
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Operations and Supply Chain > Responsible Sourcing Sustainable Progress Strategy

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING STATUS	REPORT SECTION OR OTHER DOCUMENTATION
103-3	Evaluation of the management approach	Fully	Sustainable Progress Scorecard
414-1	New suppliers that were screened using social criteria	Fully	Operations and Supply Chain > Supplier Engagement and Evaluation Sustainable Progress Scorecard
GRI 415: PUBLIC POLICY 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Conduct and Culture > Managing Compliance Risk Citi Political Activities Statement
103-3	Evaluation of the management approach	Fully	Conduct and Culture > Managing Compliance Risk Citi Political Activities Statement
415-1	Political contributions	Fully	Citi U.S. Political Contributions
GRI 417: MARKETING AND LABELING 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Conduct and Culture > Serving Our Customers and Clients Responsibly
103-3	Evaluation of the management approach	Fully	Citizenship Approach > Our Material Issues Conduct and Culture > Serving Our Customers and Clients Responsibly
417-1	Requirements for product and service information and labeling	Fully	Conduct and Culture > Responsible Marketing
GRI 418: CUSTOMER PRIVACY 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Digital Innovation > Safeguarding Data and Protecting Customer Information Code of Conduct Online Privacy Statement Citi Security Center
103-3	Evaluation of the management approach	Fully	Digital Innovation > Safeguarding Data and Protecting Customer Information Code of Conduct Online Privacy Statement Citi Security Center
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Fully	Digital Innovation > Safeguarding Data and Protecting Customer Information

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING STATUS	REPORT SECTION OR OTHER DOCUMENTATION
GRI 419: SOCIOECONOMIC COMPLIANCE 2016			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Conduct and Culture > Managing Compliance Risk 2017 10-K pages 52-62
103-3	Evaluation of the management approach	Fully	Conduct and Culture > Managing Compliance Risk 2017 10-K pages 52-62
419-1	Noncompliance with laws and regulations in the social and economic area	Fully	2017 10-K pages 52-62 2017 Annual Report
FINANCIAL SECTOR SUPPLEMENT			
PRODUCT PORTFOLIO			
103-1	Explanation of the material topic and its boundary	Fully	Citizenship Approach > Our Material Issues
103-2	The management approach and its components	Fully	Citizenship Governance at Citi Conduct and Culture > Public Policy Inclusive and Resilient Communities > Financial Inclusion 2017 10-K pages 6-14
103-3	Evaluation of the management approach	Fully	Conduct and Culture > Public Policy Inclusive and Resilient Communities > Financial Inclusion 2017 10-K pages 6-14
FS6	Percentage of the portfolio for business lines by specific region, size (e.g., micro/SME/large) and by sector	Fully	2017 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	Environmental Finance Environmental Finance > Citi's $100 Billion Environmental Finance Goal Sustainable Progress Scorecard

Taskforce on Climate-related Financial Disclosures Index

We have included in this year's report information and voluntary disclosures that are aligned with the Final Recommendations Report of the Task Force on Climate-related Financial Disclosures (TCFD), released in June 2017. Citi is working with other banks on a United Nations Environment Programme Finance Initiative (UNEP FI) pilot project to implement the recommendations and strengthen disclosures of climate-related risks and opportunities within the financial industry, as outlined in greater detail in this report. In future reports, Citi plans to expand our reporting on TCFD recommendations based on the results of this pilot.

The table on this page indicates where readers can find information that addresses the TCFD requirements, either in this report or other publicly available documents.

DISCLOSURE		CITI'S RESPONSE
STRATEGY	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Environmental and Social Risk Management Citi's Sustainable Progress Strategy Citi's Environmental and Social Policy Framework
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Environmental and Social Risk Management Citi's Sustainable Progress Strategy Citi's Environmental and Social Policy Framework
	c) Describe the resilience of the organization's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario.	Citi, along with 16 other financial institutions, is working with the UNEP FI on a pilot project to implement the recommendations. The pilot project is part of our journey to incorporate climate scenario analysis into our strategy and reporting.
METRICS AND TARGETS	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environmental and Social Risk Management > Our ESRM Policy Operations and Supply Chain > 2020 Goals Environmental Finance
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	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.	Operations and Supply Chain > 2020 Goals Operations and Supply Chain > Responsible Sourcing Operations and Supply Chain > Environmental Performance for Operations
GOVERNANCE	a) Describe the Board's oversight of climate-related risks and opportunities.	Citizenship Approach > Citizenship Governance at Citi Nomination, Governance and Public Affairs Charter, page 4
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Citizenship Approach > Citizenship and Sustainability Governance
RISK MANAGEMENT	a) Describe the organization's processes for identifying and assessing climate-related risks.	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.	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.	Environmental and Social Risk Management 2017 10-K pages 79 and 304 Citi's Environmental and Social Policy Framework

UN Global Compact Index

This report serves as our 2017 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.

"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.

UNGC PRINCIPLE	REPORT SECTION OR OTHER DOCUMENTATION
HUMAN RIGHTS	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Human Rights > Our Commitment to Respect Human Rights
Principle 2: make sure that they are not complicit in human rights abuses.	Human Rights 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
LABOR	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Human Rights > Respecting the Human Rights of Our Employees
Principle 4: the elimination of all forms of forced and compulsory labor;	Human Rights > Our Commitment to Respect Human Rights Human Rights > Respecting Human Rights in Our Financing Decisions Citi Statement of Supplier Principles Citi Standards for Suppliers
Principle 5: the effective abolition of child labor; and	Human Rights > Our Commitment to Respect Human Rights Human Rights > Respecting Human Rights in Our Financing Decisions Citi Statement of Supplier Principles Citi Standards for Suppliers
Principle 6: the elimination of discrimination in respect of employment and occupation.	Talent and Diversity > Fair Employment Practices Human Rights > Respecting the Human Rights of Our Employees Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners
ENVIRONMENT	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Environmental and Social Risk Management > Our ESRM Policy Environmental and Social Risk Management > Policy Implementation Environmental and Social Risk Management > Climate-Related Risk
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Operations and Supply Chain
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Environmental Finance
ANTI-CORRUPTION	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Conduct and Culture > Managing Compliance Risk Digital Innovation > Case Study: Tech for Integrity Anti-Bribery and Corruption Program

UN 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?	Human Rights > Our Commitment to Respect Human Rights
A1.2	Whose human rights does the public commitment address?	Human Rights > Our Commitment to Respect Human Rights Citi Statement on Human Rights
A1.3	How is the public commitment disseminated?	Conduct and Culture > Code of Conduct The following documents, which state Citi's commitment to respect human rights and our expectations about the commitment of others, are posted publicly: Citi Code of Conduct Citi Standards for Suppliers Citi Statement of Supplier Principles Citi Statement on Human Rights
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?	Citizenship Approach > Citizenship Governance at Citi Human Rights > Respecting Human Rights in Our Financing Decisions Environmental and Social Risk Management > Policy Implementation Operations and Supply Chain > Responsible Sourcing
A2.2	What kinds of human rights issues are discussed by senior management and by the Board, and why?	Human Rights > Governance, Policy Development and Updates Human Rights > Our Salient Human Rights Risks
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?	Conduct and Culture > Code of Conduct Human Rights > Respecting the Human Rights of Our Employees Citi Statement on Human Rights Citi Code of Conduct
A2.4	How does the company make clear in its business relationships the importance it places on respect for human rights?	Human Rights > Respecting Human Rights in Our Financing Decisions Environmental and Social Risk Management > Policy Implementation Operations and Supply Chain > Responsible Sourcing Citi Standards for Suppliers Citi Statement of Supplier Principles
A2.5	What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	Human Rights > Governance, Policy Development and Updates Human Rights > Providing Access to Remedy Human Rights > Case Study: Stakeholders Heard Through Due Diligence Process Human Rights > Engaging Stakeholders on Human Rights Human Rights > Citi's Response to the UK Modern Slavery Act

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.	Human Rights > Our Salient Human Rights Risks Human Rights > Human Rights Due Diligence in Client Transactions

DETERMINATION OF SALIENT ISSUES

B2	Describe how the salient human rights issues were determined, including any input from stakeholders.	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.	

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

C1	Does the company have any specific policies that address its salient human rights issues and, if so, what are they?	
C1.1	How does the company make clear the relevance and significance of such policies to those who need to implement them?	Human Rights > Respecting the Human Rights of Our Employees Environmental and Social Risk Management > Our ESRM Policy Environmental and Social Risk Management > Enhancing Our Training Operations and Supply Chain > Supplier Engagement and Evaluation Citi Code of Conduct Citi Standards for Suppliers

STAKEHOLDER ENGAGEMENT

C2	What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?	
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?	Stakeholder Engagement at Citi Human Rights > Providing Access to Remedy Human Rights > Continuous Learning and Improvement
C2.2	During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?	Human Rights > Governance, Policy Development and Updates Human Rights > Case Study: Stakeholders Heard Through Due Diligence Process Human Rights > Continuous Learning and Improvement
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?	Human Rights > Governance, Policy Development and Updates Human Rights > Continuous Learning and Improvement Environmental and Social Risk Management > Our ESRM Policy

ASSESSING IMPACTS

C3	How does the company identify any changes in the nature of each salient human rights issue over time?	
C3.1	During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?	Human Rights > What's Ahead

C3.2	During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	

INTEGRATING FINDINGS AND TAKING ACTION

C4	How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	
C4.1	How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?	Citizenship Approach > Citizenship Governance at Citi Human Rights > Respecting Human Rights in Our Financing Decisions Human Rights > Citi's Response to the UK Modern Slavery Act Environmental and Social Risk Management > Policy Implementation
C4.2	When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?	Human Rights > Respecting Human Rights in Our Financing Decisions Environmental and Social Risk Management > Policy Implementation Operations and Supply Chain > Supplier Engagement and Evaluation
C4.3	During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?	Human Rights > Governance, Policy Development and Updates Human Rights > Case Study: Stakeholders Heard Through Due Diligence Process Human Rights > Providing Access to Remedy Human Rights > Continuous Learning and Improvement

TRACKING PERFORMANCE

C5	How does the company know if its efforts to address each salient human rights issue are effective in practice?	
C5.1	What specific examples from the reporting period illustrate whether each salient issue is being managed effectively?	Human Rights > Respecting Human Rights in Our Financing Decisions

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?	Conduct and Culture > Escalating Business and Ethical Concerns Human Rights > Human Rights Due Diligence in Client Transactions 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?	Conduct and Culture > Ethics Program Conduct and Culture > Spotlight on Ethics Human Rights > Human Rights Due Diligence in Client Transactions
C6.3	How does the company process complaints and assess the effectiveness of outcomes?	Conduct and Culture > Escalating Business and Ethical Concerns Human Rights > Human Rights Due Diligence in Client Transactions Human Rights > Providing Access to Remedy 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?	Human Rights > Governance, Policy Development and Updates 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?	Human Rights > Providing Access to Remedy

Assurance

SGS

Greenhouse Gas and Environmental Data Verification Statement Number
UK.PRS.VOL.INV.0100.2017/2017/03/18

The inventory of greenhouse gas emissions and environmental data in the period 1st January 2017 – 31st December 2017 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:

21,097 tCO_2e of GHG emissions Scope 1
700,252 tCO_2e of GHG emissions Scope 2 (location based)
568,840 tCO_2e of GHG emissions Scope 2 (market based)
721,349 tCO_2e of total GHG emissions Scopes 1 and 2, based on Scope 2 location based emissions
152,322 tCO_2e of GHG emissions Scope 3

1,425.79 GWh of electricity consumption
55.24 GWh of district heating and cooling
64.24 GWh of natural gas and LPG
28.91 GWh of fuel oil and diesel
10,513 metric tonnes of waste diverted from landfill
36,730 metric tonnes of total waste
4,484,822 cubic meters of potable water consumed
274,101 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

Signed: Jonathan Hall
Business Manager
SGS united Kingdom Ltd
Verification Statement Date: 23/03/2017
This Statement is not valid without the full verification scope, objectives, criteria and conclusion available on pages 2 to 5 of this Statement.

GP5024 Issue

Schedule Accompanying Greenhouse Gas and Environmental Data Verification Statement Number UK.PRS.VOL.INV.0100.2017/2017/03/18

BRIEF DESCRIPTION OF VERIFICATION PROCESS

SGS has been contracted by Citigroup, Inc. for the verification of direct and indirect carbon dioxide (CO_2) 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 CO_2 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 2017 – 31st December 2017. 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 CO_2 equivalent and environmental data assertion during the period February to March 2018.

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 13th March 2018.

LEVEL OF ASSURANCE

The level of assurance agreed is a limited level of assurance

Assurance

SCOPE

Citigroup, Inc. has commissioned an independent verification by SGS of reported CO_2 equivalent emissions and environmental data arising from their activities, to establish conformance with the requirements of the WRI/WBCSD GHG Protocol for CO_2 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 CO_2 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 heat;
  Scope 3 – Business Travel (air and rail)

- Types of GHGs included: CO_2, N_2O, CH_4
- 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.

OBJECTIVE

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the CO_2 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 CO_2 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 2017 – 31st December 2017 disclosing:

21,097 tCO_2e of GHG emissions Scope 1
700,252 tCO_2e of GHG emissions Scope 2 (location based)
568,840 tCO_2e of GHG emissions Scope 2 (market based)
721,349 tCO_2e of total GHG emissions Scopes 1 and 2, based on Scope 2 location based emissions
589,937 tCO_2e of total GHG emissions Scopes 1 and 2, based on Scope 2 market based emissions
152,322 tCO_2e of GHG emissions Scope 3

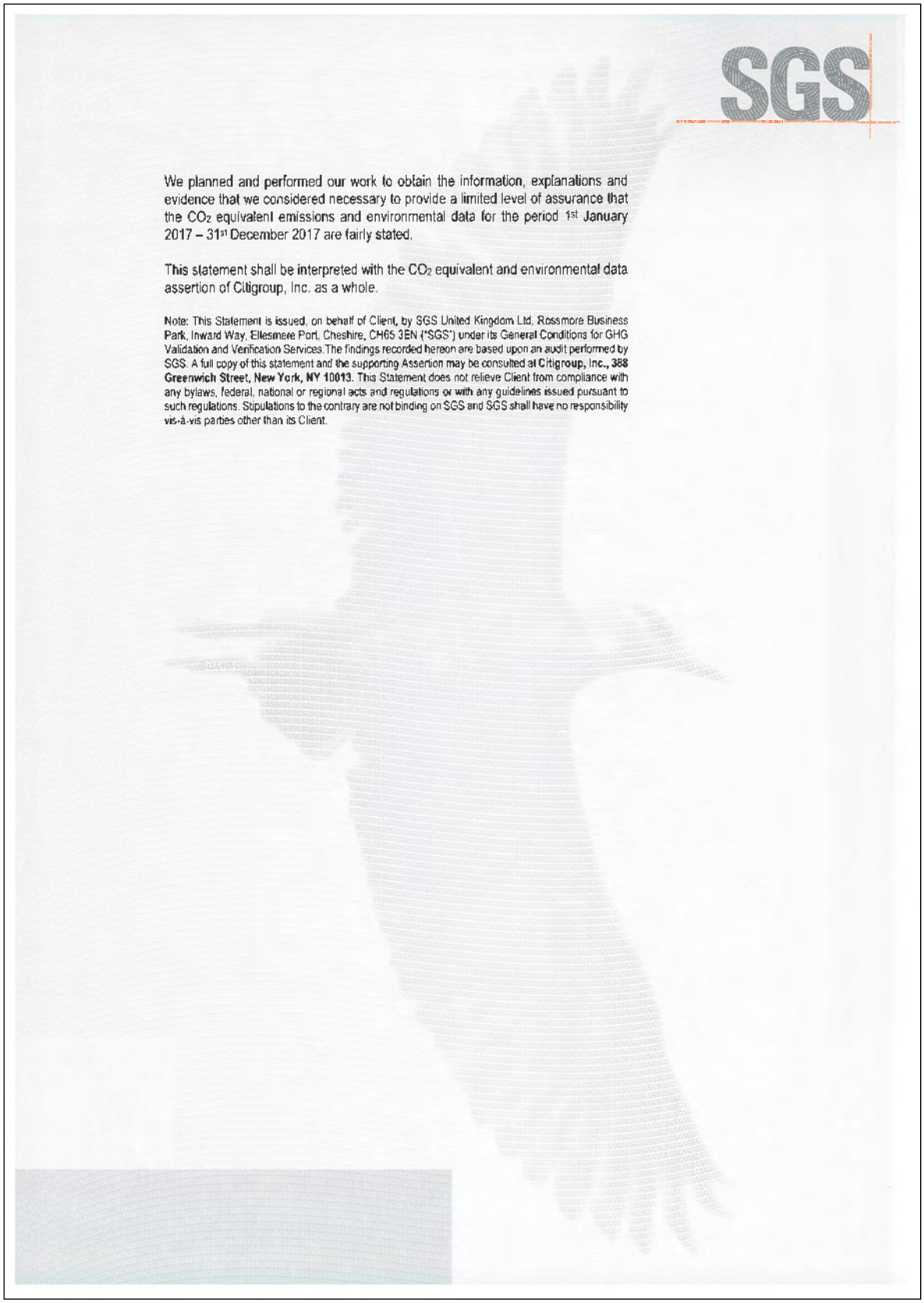
1,425.79 GWh of electricity consumption
55.24 GWh of district heating and cooling (steam & chilled water)
64.24 GWh of natural gas and LPG
28.91 GWh of fuel oil and diesel
10,513 metric tonnes of waste diverted from landfill
36,730 metric tonnes of total waste
4,484,822 cubic meters of potable water consumed, and
274,101 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 CO_2 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.

Assurance



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 CO_2 equivalent emissions and environmental data for the period 1st January 2017 – 31st December 2017 are fairly stated.

This statement shall be interpreted with the CO_2 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.

ASSURANCE STATEMENT

SGS REPORT ON CITIGROUP INC.'s "2017 CITI GLOBAL CITIZENSHIP REPORT", CHAPTER "ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT", INCLUDING THE "EQUATOR PRINCIPLES (EP) REPORTING"

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS was commissioned by Citigroup Inc. to conduct an independent assurance of the "2017 Citi Global Citizenship Report", chapter "Environmental and Social Risk Management" including the Equator Principles reporting. 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 "2017 Citi 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 "2017 Citi 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

ASSURANCE OPINION

Based on the methodology described and the verification work performed on the "2017 Citi Global Citizenship Report", chapter "Environmental and Social Risk Management" including Equator Principles reporting, 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 2017. This includes the figures of ESRM training conducted for Citi employees and the section on "transactions receiving ESRM review". 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 2017

In our opinion the "2017 Citi Global Citizenship Report" reported information of the EP implementation, detailed at the subsection "2017 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 6 funded project loans 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 four EP-covered transactions 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 (2017)
- 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, 2018
www.sgs.com

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