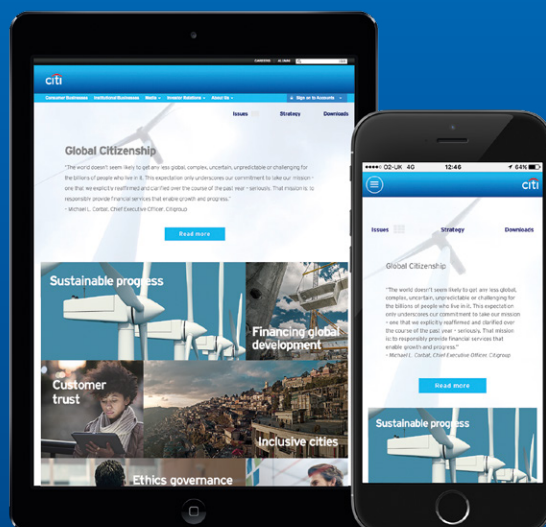


- 1.1 Strategy .....
- 2.1 Conduct, Culture and Governance .....
- 3.1 Trust .....
- 4.1 Inclusive Cities .....
- 5.1 Financing Development .....
- 6.1 Human Rights .....
- 7.1 Sustainability .....
- 8.1 Diversity .....
- 9.1 Workforce and Talent .....
- 10.1 Citi Foundation .....
- 11.1 GRI Index and UN Global Compact .....
- 12.1 Assurance .....

We report annually on our citizenship performance. This report covers calendar year 2015. In addition to our 2015 initiatives, we highlight our progress over time, including global and regional data where possible. All reporting and performance data are limited to information on the owned and operated facilities of Citigroup Inc. and its subsidiaries, unless stated otherwise. This reporting supplements information published in our 2015 Annual Report. For more information on the citizenship initiatives described here and how Citi responds to challenges around the world, please visit [citi.com/citizenship](http://citi.com/citizenship) or contact:

Global Public Affairs  
Citigroup Inc.  
388 Greenwich Street  
New York, NY 10013  
[citizenship@citi.com](mailto:citizenship@citi.com)





# Strategy

In 2015, Citi created a new Mission and Value Proposition that reaffirms our focus on serving clients by responsibly providing financial services that enable growth and economic progress. We are committed to using our products, services, scale, reach and partnerships to help our clients and communities meet the world's toughest challenges. From building sustainable infrastructure to creating jobs, we embrace our obligation and desire to be good citizens that contribute to a shared social purpose.

## CITIZENSHIP AT CITI

Citizenship is core to Citi. As a global company that employs approximately 230,000, does business in over 160 countries and jurisdictions and has over 200 million customer accounts, we are an integral part of the communities where we work and well positioned to help address the challenges facing society. Prosperous communities and economies are essential to our success as a company and, in turn, to our ability to provide financial access and opportunities to others. Strong citizenship practices, a focus on culture and environmental, social and governance performance makes us a stronger and more sustainable company.

We have specialized units that facilitate our citizenship activities, but ultimately, citizenship is a responsibility shared by all of our businesses, clients, suppliers and communities. It is embedded in our mission and culture, and it is brought to life by our employees who work to improve the wellbeing of people and communities around the world.

Banks play a particularly important role in driving economic growth, and Citi takes this responsibility very seriously. For more than 200 years, we have helped finance global growth and progress by developing

financial products and services that meet client and community needs. As society faces new and pressing challenges like climate change and rapid urbanization, we know we must innovate and provide new solutions that matter today, but also consider the implications for tomorrow and beyond.

There are many challenges and issues that society must address, and we are better positioned to tackle some than others. Our Citizenship Strategy prioritizes the areas where we can have the greatest impact and influence. We work with clients, nongovernmental organizations (NGOs), the public sector and other stakeholders to create innovative financial solutions and programs that advance financial inclusion and social mobility, and promote economic development, environmental sustainability, human rights and other factors essential to a healthy, vibrant world. Underpinning all of this is our commitment to ethical conduct and responsible finance. If we fall short, we will take decisive action and learn from our experience.

To find out more about how citizenship at Citi is embedded in all aspects of our business visit [our website](#).



## CITI AT A GLANCE

We have approximately

**230,000**  
employees

do business in over

**160 countries**  
and jurisdictions

globally and have

**200 million**  
customer accounts



Citigroup  
388 Greenwich Street  
New York, NY 10013

April 2016

As the leader of a U.S.-based bank with a distinctly global footprint and focus, I spend a fair amount of my time traveling around the world, meeting with clients, customers and colleagues in the more than 100 countries where we open our doors every morning. Having done that on a regular basis for years I think I'm on pretty safe ground when I say that the world doesn't seem likely to get any less global, uncertain, unpredictable or challenging. This expectation only underscores our commitment to take our mission – one that we explicitly reaffirmed and clarified over the course of the past year – seriously. That mission is: *to responsibly provide financial services that enable growth and progress.*

Whether that means enabling growth and progress through our core business activities, forging partnerships with organizations that align with our values, or providing philanthropic support through the Citi Foundation, my more than 200,000 colleagues and I work to fulfill that mission faithfully every day. Yet, we also humbly recognize that we don't have all (or even many) solutions to some of society's more daunting challenges at our fingertips. What we can do, however, and where we focus our energy, talent and best thinking, is helping our clients and customers navigate and manage through many of these issues, which often helps society move forward. Where we see places where we are confident that we can meaningfully contribute, we do and we will. With an understanding of the priorities and concerns of our clients, partners and people, we focus on the following issues where we engage in both breadth and depth.

- **Culture, Conduct and Governance**  
We lead with these because they are fundamental to our success. If we don't get these issues right, nothing else matters – at risk is the credibility needed to fulfill our mission and our license to do business.
- **Financing Development**  
Today's world is so inextricably interconnected that global companies like ours do and must continue to play an influential role in determining how responsibly business is conducted in the countries and communities where we operate.
- **Inclusive Cities**  
We say (and we *mean it*) that “city” is not just in our name, it's in our DNA. For more than 200 years we have contributed to building the economic strength of cities. We've worked to preserve the historically pivotal role of urban centers as places of progress and opportunity for the millions of people who live in and move to them every day in search of better lives for themselves and their families.
- **Trust**  
Safeguarding our clients' and customers' critical assets and information while holding ourselves to the highest ethical standards in all our decision-making is key to preserving deeper client relationships. We continue to invest in the training and tools required to live up to not just the letter but the spirit of every law, statute and regulation we follow.
- **Sustainability**  
Market activity and global convenings such as COP21 are accelerating the risks and opportunities embedded in environmentally sustainable business. Due to the strength of environmental finance markets and the ambitions of our clients, our financing of solutions to reduce the impact of climate change has skyrocketed. After announcing our Sustainable Progress Strategy, including a commitment to lend, invest and facilitate \$100 billion over ten years to activities focused on environmental solutions, we recorded our highest annual volume of sustainable finance activity in 2015, with \$47.6 billion in transactions.
- **Talent**  
Achieving our aspiration of being the world's most admired bank starts with and ends with us – our people. We remain committed to bringing out the best in ourselves, our peers and our teams.
- **Diversity**  
Maintaining, cultivating, and preserving a diverse and inclusive culture is paramount for us. We know that diversity of thought, backgrounds and perspectives produce better outcomes for our clients and customers.
- **Human Rights**  
Few concepts are as fundamental to the advancement of a fairer, more just society than to respect, promote and protect human rights across our value chain. Our policies are inviolable and the basis of an enduring commitment to uphold and respect the rights of all our employees, suppliers, clients, customers, communities and countries wherever we do business.

I offer these demonstrations and proof points as tangible evidence in support of our thesis that global institutions like ours are uniquely positioned to help society address global problems on a global scale.

And none of the negative political discourse, rancor or rhetoric about the need to “break up the big banks” will deter us from continuing to do what we do every day in fulfillment of our mission to enable growth and progress around the world.

If anything, it only reinforces that commitment while helping us to appreciate the fact that, despite signs of progress, our work is never done.

Michael L. Corbat  
Chief Executive Officer,  
Citigroup Inc.





MISSION AND  
VALUE PROPOSITION

# A Mission of Enabling Growth and Progress

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

## WHAT YOU CAN EXPECT FROM US AND WHAT WE EXPECT FROM OURSELVES

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 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.



**“Global institutions like ours are uniquely positioned to help society address global problems on a global scale.”**

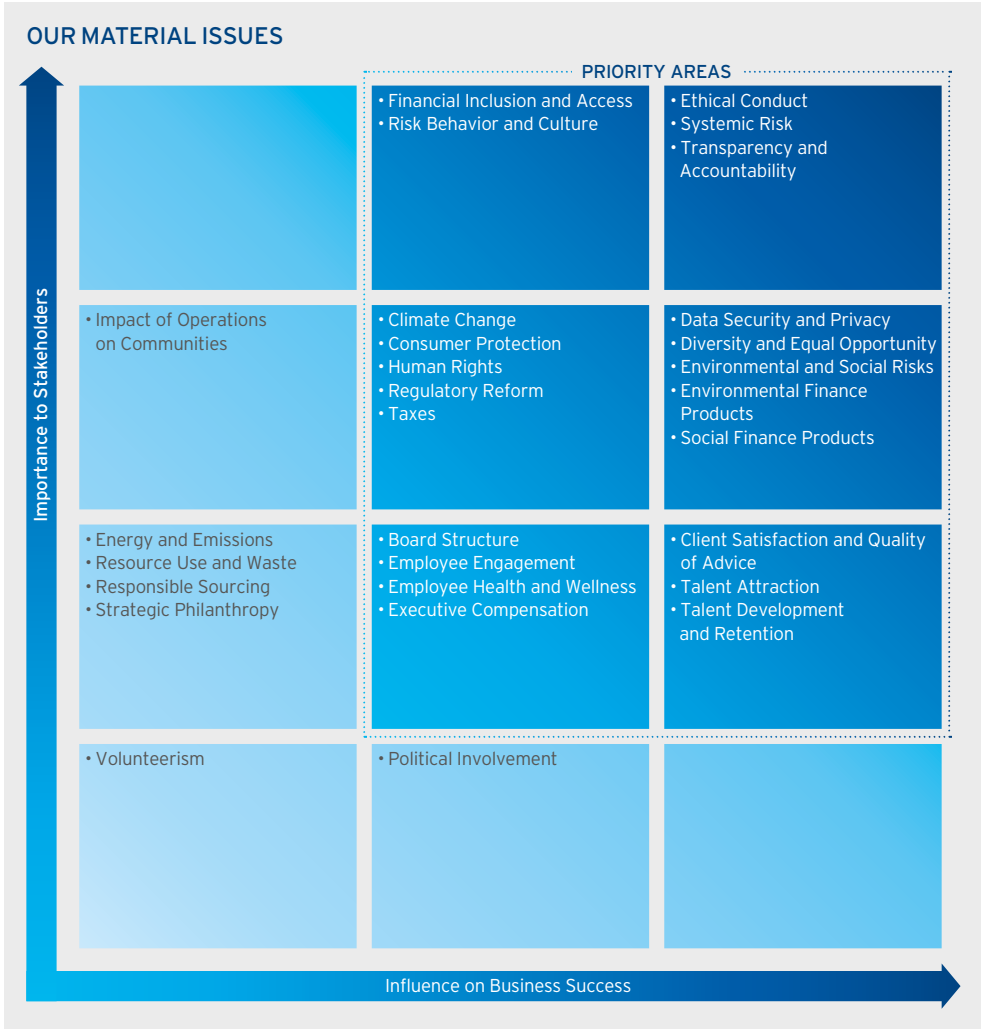
**Michael L. Corbat**  
Chief Executive Officer,  
Citigroup Inc.

# Our materiality assessment informed our present report, which aligns our most material topics under our eight central citizenship issues.

## Materiality Assessment

We are committed to continuous improvement in our approach to citizenship reporting. We regularly review our priorities to align them to what is most critical to our business, clients and stakeholders. In 2015, we conducted a materiality assessment with a third party covering environmental, social and governance issues. The process involved a review of our business strategy, policies and other documents, and stakeholder communications, as well as in-depth interviews with 30 internal and external stakeholders, including investors, clients, NGOs, government agencies and academia, to identify and prioritize the issues of greatest importance to our business success and to our stakeholders. Internal subject matter experts from across Citi reviewed the issues and gave feedback during a cross-functional workshop. Our materiality matrix reflects the feedback provided by all participants and the analysis done during the internal workshop.

Our most material topics, both in terms of influence on business success and importance to stakeholders, are included in the top-right section of the matrix. The top issues identified were ethical conduct, systemic risk and transparency and accountability, all of which are fundamental to our business and citizenship success. Other priority topics included our development of social finance products and diversity, with economic progress, financial inclusion and valuing our employees also being particularly meaningful in our review. Climate change, environmental and social risk management and environmental finance products rounded out the top areas. Stakeholders emphasized the importance of continued investment in environmental and climate finance, the urgency to reduce environmental and social risks associated with finance, and disclosure of greenhouse gas emissions across our value chain. A topic that emerged as being increasingly important was human rights, which has recently become more



critical to business. Overall, stakeholders emphasized the need for ethical conduct and transparency in everything we do.

Our materiality assessment informed our present report, which aligns our most material topics under our eight central citizenship issues, listed on the next page. We placed extra emphasis on priority areas and emerging priorities, such as human rights. In addition, we continue to report on areas

and indicators that we have reported on in the past. In many instances, these areas, such as emissions and responsible sourcing, have become integrated into our business approach and are now viewed as “table stakes” activities for good citizenship. In 2016, we will build on insights from this analysis to further refine our Citizenship Strategy based on business priorities and stakeholder expectations.



We work around the world and see first hand the impacts of global megatrends on people, companies, cities and the environment, and we look at challenges and opportunities at the global and local levels.

## CITI ISSUES AND BOUNDARIES

Strategy Issue	Materiality Sub-issues	Areas of Relevancy
Conduct, Culture and Governance	<ul style="list-style-type: none"> <li>• Board Structure</li> <li>• Ethical Conduct</li> <li>• Executive Compensation</li> <li>• Political Involvement</li> <li>• Risk Behavior and Culture</li> <li>• Taxes</li> <li>• Transparency and Accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Citi - all global operations</li> </ul>
Trust	<ul style="list-style-type: none"> <li>• Client Satisfaction and Quality of Advice</li> <li>• Consumer Protection</li> </ul>	<ul style="list-style-type: none"> <li>• Cit - all global operations</li> <li>• Clients</li> </ul>
Diversity	<ul style="list-style-type: none"> <li>• Diversity and Equal Opportunity</li> <li>• Talent Attraction</li> <li>• Talent Development and Retention</li> </ul>	<ul style="list-style-type: none"> <li>• Citi - all global operations</li> </ul>
Financing Development	<ul style="list-style-type: none"> <li>• Financial Inclusion and Access</li> <li>• Social Finance Products</li> </ul>	<ul style="list-style-type: none"> <li>• Citi - all global operations</li> <li>• Communities in which we operate</li> </ul>
Human Rights	<ul style="list-style-type: none"> <li>• Diversity and Equal Opportunity</li> <li>• Human Rights</li> <li>• Responsible Sourcing</li> </ul>	<ul style="list-style-type: none"> <li>• Citi - all global operations</li> <li>• Clients</li> <li>• Communities in which we operate</li> <li>• Supply Chain</li> </ul>
Inclusive Cities	<ul style="list-style-type: none"> <li>• Financial Inclusion and Access</li> <li>• Impact of Operations on Communities</li> <li>• Social Finance Products</li> </ul>	<ul style="list-style-type: none"> <li>• Citi - all global operations</li> <li>• Clients</li> <li>• Communities in which we operate</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>• Climate Change</li> <li>• Energy and Emissions</li> <li>• Environmental and Social Risks</li> <li>• Environmental Finance Products</li> <li>• Impact of Operations on Communities</li> <li>• Resource Use and Waste</li> <li>• Responsible Sourcing</li> </ul>	<ul style="list-style-type: none"> <li>• Citi - all global operations</li> <li>• Clients</li> <li>• Communities in which we operate</li> <li>• Supply Chain</li> </ul>
Workforce and Talent	<ul style="list-style-type: none"> <li>• Employee Engagement</li> <li>• Employee Health and Wellness</li> <li>• Talent Attraction</li> <li>• Talent Development and Retention</li> <li>• Volunteerism</li> </ul>	<ul style="list-style-type: none"> <li>• Citi - all global operations</li> <li>• Communities in which we operate</li> </ul>

## OUR STRATEGY

Today's business landscape is complex. We work around the world and see first hand the impacts of global megatrends on people, companies, cities and the environment, and we look at challenges and opportunities at the global and local levels. In developing our Citizenship Strategy, we regularly engage stakeholders through formal processes such as the materiality assessment, as well as one-on-one discussions to consider the issues and determine how we can contribute. We also use external principles and standards, including the Global Reporting Initiative (GRI), the United Nations (UN) Global Compact and the UN Sustainable Development Goals, as guides to determine how we, as a global business, can manage our impact most effectively and be a force for good.

We manage our citizenship activities in a structured, strategic way to make sure we stay on course, keep our stakeholders involved and informed, and measure our progress.

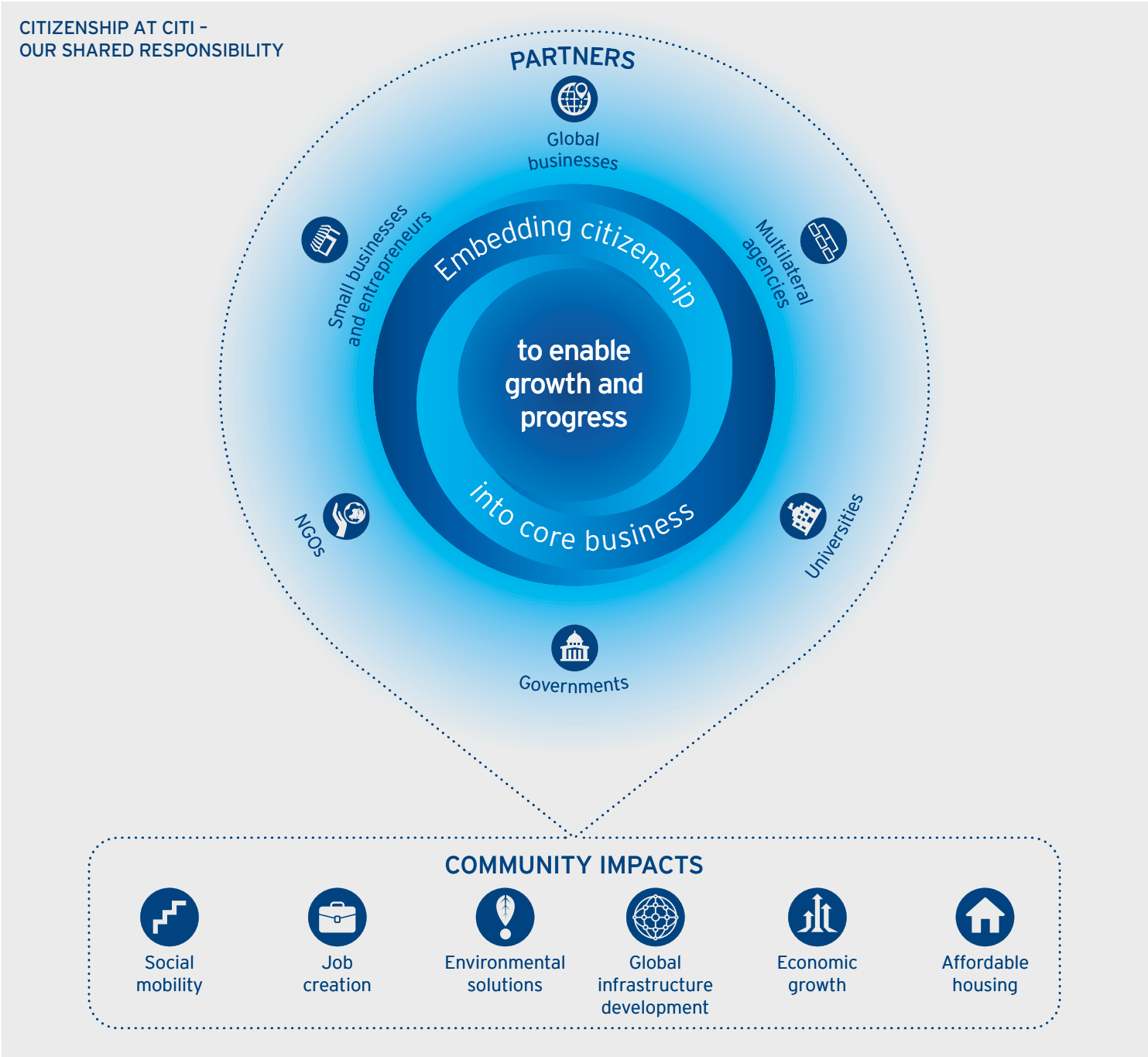
### Citizenship Governance

The Nomination, Governance and Public Affairs Committee of the Citi Board of Directors oversees Citi's corporate citizenship activities. This committee's responsibilities include reviewing and advising management on:

- Citi's sustainability policies and programs, including the environment, climate change and human rights.
- Citi's relationships with major external constituencies, how they view the company and the issues they raise.

For more information on the roles and responsibilities of Citi's Nomination, Governance and Public Affairs Committee, download our [Nomination, Governance and Public Affairs Committee Charter](#).

Only by embedding citizenship into our core business and by working with our Partners can we leverage our scale and reach to enable growth and progress for society.





## We constantly look for ways to add social and environmental value to everything we do.

Brandee McHale, Director of Corporate Citizenship and President of the Citi Foundation, is the senior executive in charge of citizenship and environmental sustainability at Citi. She provides progress reports to the Nomination, Governance and Public Affairs Committee on our citizenship activities at least annually to inform the Board of material citizenship and sustainability issues and trends, and to share with them our progress. She is a member of the Citi Environmental and Social Advisory Committee, comprised of senior leaders from across the bank, which provides guidance on environmental and social issues related to our global business activities. She regularly meets with a range of stakeholders on citizenship and environmental sustainability issues and communicates relevant issues and raises critical concerns to the Board. The Director of Corporate Citizenship also works in close partnership with other senior leaders across the company who play a critical role in our Citizenship Strategy, including those leading Diversity, Inclusive Finance, and Community Development.

### Stakeholder Engagement

Addressing our citizenship priorities requires working with governments, NGOs and other partners who share our vision and values. We regularly and openly engage with stakeholders on a range of issues and act on their feedback. We hold formal stakeholder dialogues approximately once per year, and small group and one-on-one engagements on a regular basis.

We have long-standing relationships with stakeholders interested in the environment, climate change, human rights, community development and other societal concerns. We ask our partners to identify other stakeholders with whom we should engage and from whom we should seek feedback.

A third-party consultancy helped us identify new stakeholders to interview for our materiality assessment. Ceres, a non-profit sustainability advocacy organization, helped us convene clients, investors, NGOs and others to give feedback during development of our [Sustainable Progress Strategy](#) in 2014. In January 2016, they reconvened the group, along with additional impact assessment experts, to give us feedback on the methodology and impacts of our \$100 Billion Environmental Finance Goal.

Stakeholders also seek us out. Citi's first Shareholder Dialogue Group, comprised primarily of socially responsible investors, self-organized in 1997 to advise us on managing environmental and social risk and reporting on our citizenship progress.

For a list of stakeholders and examples of engagements, see [our website](#). We also communicate our work through our Annual Report, Proxy Statement and U.S. Securities and Exchange Commission (SEC) filings; industry association memberships; public policy forums; sustainability surveys and traditional and social media.

### Reporting on Our Progress

Our citizenship activities are anchored by responsible business practices, ethical decision-making and financial innovations that drive economic progress. Our performance has been recognized by external rankings such as the Dow Jones Sustainability Index and FTSE4Good. We have been honored to receive community investment-related awards and recognition from respected third parties.

Our 2015 Global Citizenship Report was prepared following the GRI G4 Guidelines. For information on our disclosures and to locate report content, download our [GRI Index](#).



### WHAT'S AHEAD

One of our greatest opportunities is to identify how our business can create innovative solutions to address the most pressing social issues. We continue to implement our Sustainable Progress Strategy, which outlines how we marry business strategy and citizenship to address climate change, sustainable cities and human rights, among other societal issues. We constantly look for ways to add social and environmental value to everything we do.

The 2015 materiality process highlighted a number of key areas we plan to explore and improve upon in 2016 and beyond. We will continue to prioritize core issues such as good corporate governance and assess our management of increasingly important issues such as human rights and financed emissions. Our disclosure of progress against key metrics and our engagement with internal and external stakeholders on how to improve our approach to citizenship underpins our approach.

We do not have all the answers, but we are committed to using our businesses and resources to contribute to social, economic and environmental progress. As global citizens, we know this is our responsibility and see it as an opportunity to help people and communities thrive.

To find out more, go to:  
[citi.com/citizenship](http://citi.com/citizenship)



# Conduct, Culture and Governance

As articulated in our Mission and Value Proposition, Citi serves as a trusted partner to clients by responsibly providing financial services that enable growth and economic progress. We strive to earn and maintain public trust by constantly adhering to the highest ethical standards in all of our dealings with clients, business colleagues, shareholders, communities and each other.



## WHAT'S HAPPENING

Eight years after the financial crisis, public trust in banks and financial institutions remains low. Just over half of people across 24 countries trust the industry as a whole, and many say operating ethically is the most important issue for banks to address.<sup>1</sup> People expect banks to be open, accountable and responsive to societal needs.



## WHAT CITI IS DOING

Citi continues to work hard to rebuild the public's trust, but we know it takes time. We are dedicated to improving our culture by building on our values and adhering to the high expectations of ethical and professional behavior and standards we set for ourselves. Our *Mission and Value Proposition*, which was developed by Citi's senior leadership and distributed throughout the firm, asks all employees to ensure their decisions pass three tests:

- They are in clients' interests
- They create economic value
- They are always systemically responsible

We believe business decisions that pass each of these tests have a positive and lasting effect, economically and socially, on the millions of people and hundreds of communities we serve. For this reason, our senior leaders frequently communicate our *Mission and Value Proposition* and encourage employees to use all three tests in every decision they make.



## 2015 HIGHLIGHTS

We revised our

**Code of Conduct**

available in

**26 languages**

We trained over

**213,000 employees and non-employee workers**

on anti-money laundering, sanctions and anti-bribery and corruption

More than

**123,000 employees**

were trained on Citi's Global Consumer Banking Fairness Policy and Treating Customers Fairly Program

Approximately

**35,000 employees**

were trained on ethics and leadership

<sup>1</sup> "Seven Years On From The Financial Crisis: Trust In Banks Remains At All Time Low", GlobeScan, July 2015.



**To equip employees to make systemically responsible decisions that are in our clients' interests and create economic value, Citi has championed a series of firm-wide initiatives that promote ethical conduct and enhance our culture.**

The Ethics and Culture Committee, a standing committee of the Citigroup Inc. Board of Directors that was established in 2014, oversees senior management's efforts to reinforce and enhance a culture of ethics throughout the firm.

To equip employees to make systemically responsible decisions that are in our clients' interests and create economic value, Citi, with the Ethics and Culture Committee's oversight, has championed a series of firm-wide initiatives that promote ethical conduct and enhance our culture. For example, in 2015, we:

- Revised our Code of Conduct to help employees better understand their responsibility to make the right ethical choices, promptly report actual or suspected misconduct and know to whom concerns should be reported.
- Issued a firm-wide Escalation Policy, under which employees are required to promptly escalate issues that pose or may pose significant risk, including violations of Citi's Code of Conduct.
- Redesigned our Leadership Standards to reflect our Mission and Value Proposition, and are working to embed them into our hiring, performance evaluation, promotions and talent development decision-making processes.
- Delivered training on ethical business decision-making and leadership to approximately 35,000 employees.
- Delivered training to align leaders with our firm's common purpose and know which behaviors and standards we accept and which ones we do not.
- Completed a year-long video series in which Citi's senior management told personal stories of difficult decisions they faced in their careers to emphasize the importance of acting with integrity; the videos have been viewed nearly 600,000 times at Citi.

- Supplemented our annual Voice of the Employee Survey with additional items related to ethics and leadership. We performed strongly on our ethical culture index, an average score comprised of items predictive of an ethical culture, with an 89 percent favorable score this year.
- Continued to implement Citi's Conduct Risk Program, which focuses on reducing the probability that behavior by Citi employees or agents may, intentionally or through negligence, harm customers, clients or the integrity of the markets and thereby the integrity of the firm; and Citi's Treating Customers Fairly Program, which promotes fair outcomes for consumers.

#### **REINFORCING AND ENHANCING CITI'S ETHICAL CULTURE**

Citi has policies, programs and other initiatives to reinforce Citi's ethical culture and put Citi's Mission and Value Proposition into action. They include, but are not limited to, the following:

##### **Code of Conduct**

Our Code of Conduct outlines the values and principles that must direct employees' daily actions. The Code is available publicly in 26 languages and applies to all Citi employees. Individuals performing services for Citi may also be subject to the Code by contract or agreement. Our Code of Conduct reinforces the message that adherence to our core values and principles is every employee's responsibility and that we each have an obligation to:

- Apply the values and principles expressed in our Code to everything we do and everywhere we operate.
- Conduct business in a transparent, prudent and dependable manner.
- Take responsibility and hold each other accountable.
- Raise concerns and ask questions.



#### **CASE STUDY**



#### **LIVE TRAINING REINFORCES ETHICS EXPECTATIONS**

Ethical behavior is every Citi employee's responsibility. To help ensure we have the right information and tools to make ethical decisions, we developed an interactive, live training program called Ethics and Leadership led by senior business facilitators. Based on an ethical decision-making framework called The Right, The Good, and The Fitting, authored by Princeton University's Dr. David Miller, it presented employees with "gray" ethics scenarios and introduced a decision tool to help them handle ambiguous situations.

The program was designed to sharpen employees' ethical competencies and prepare them to share what they learned with others. Through hundreds of senior leader-led interactive sessions around the world and a virtual version of the training, Citi trained approximately 35,000 employees - from managing directors to assistant vice presidents - on ethics and leadership in 2015.

## Our Code of Conduct reinforces the message that adherence to our core values and principles is every employee's responsibility.

While there is no legal or regulatory requirement on how often an organization must revise its Code, Citi typically issues a revised Code every two years to reflect new rules, regulations and best practices. We revised it in October 2015, and launched new training on our Code for our employees in the first half of 2016. We offer separate training for non-employee workers who have access to Citi systems.

### Conduct Risk Program

We established a Conduct Risk Program to manage and mitigate instances of conduct risk, or intentional or negligent actions of employees or agents that may lead to negative outcomes for customers, clients and markets. In 2015, we issued a global Conduct Risk Policy and trained employees in businesses and control functions to improve their understanding of conduct risk.

### Treating Customers Fairly Program

Our Treating Customers Fairly Program promotes fair outcomes for consumers through the adoption of, and adherence to, fairness-related principles. We trained more than 160,000 Global Consumer Bank employees on customer fairness in 2015. For more information on this program, download our [Trust Fact sheet](#).

### Escalation Policy

Citi issued a firm-wide Escalation Policy in December 2015, which gives our employees a globally consistent framework for determining how to appropriately escalate issues that pose or may pose significant risk. We ask employees to immediately escalate their concerns and to avoid escalating to people who have a conflict of interest that might bias their perspective or willingness to act. The policy also details what employees are expected to do if an issue is escalated to them.



## ETHICS AND CULTURE EMPLOYEE VIDEO CHALLENGE



To engage employees in real-life ethics decisions, we released a 12-part Ethics and Culture Video Series highlighting ethical challenges senior leaders have faced in their careers and the decisions they made. To close the Series, Citi employees participated in a challenge by submitting videos describing how one of the Ethics and Culture videos inspired them.

"I found the Ethics series to be very powerful and inspiring, especially hearing from our senior leaders about some of the decisions that they have made with respect to ethics... It's not just about making the right decisions based on whether or not something is legal or illegal. It's about making the right decisions even when nobody is looking."

SARA KRAWLL,  
Global Consumer Bank,  
Global Digital Team  
Miami, USA

"When making decisions, you must not jump on the bandwagon - just because something is popular doesn't mean it is right. I like how Citi is empowering and equipping everyone to have that confidence to say no when appropriate by promoting the company's ethical standards."

JONNA DONCERAS,  
Enterprise Operations  
and Technology - Human  
Resources Shared Services,  
Manila, Philippines



Our global Compliance organization protects Citi by managing adherence to applicable laws, regulations and other standards of conduct, and by promoting business behavior consistent with our Mission and Value Proposition.

Ethics Hotline

Citi’s Ethics Office provides employees, customers, suppliers and other third parties with channels to report ethics concerns either anonymously or without attribution. Those who are uncomfortable raising concerns with their managers or others at Citi can contact our Ethics Office via a toll-free phone number available 24/7 that accommodates multiple languages, or by e-mail, mail, fax and website submission in 11 languages. Employees may report concerns anonymously, to the extent permitted by applicable laws and regulations. All complaints are treated as confidentially as possible, consistent with the need to investigate and address the matter, and are subject to applicable laws and regulations. Citi policies prohibit retaliation against anyone who raises a concern or question in good faith, or participates in an investigation.

Spotlight on Ethics

Research shows employees are more likely to report ethical concerns when they know action will be taken. Our quarterly Spotlight on Ethics features real ethics cases and outcomes to show how concerns submitted lead to actions. To help employees take the first step in raising concerns about their behavior or that of others, or to determine the best course of action in a particular situation, we created Ask the Ethics Office, an intranet page where employees can ask if behaviors they observe are appropriate. Additionally, as part of an Ethics Awareness Program created in 2015, Ethics Officers hosted town halls and small group discussions with more than 2,000 employees in five countries to explain the Ethics Office process, ask for feedback and gather ideas on the best ways to reinforce Citi’s standards and values.

MANAGING COMPLIANCE RISK

Our global Compliance organization protects Citi by managing adherence to applicable laws, regulations and other standards of conduct, and by promoting business behavior consistent with our Mission and Value Proposition. The Compliance organization has several programs and initiatives, some of which are mentioned above. The organization also has programs to protect Citi from the risk of corruption and to assist with compliance with sanctions requirements.

Anti-Bribery and Corruption Program

Citi complies with all applicable anti-bribery and corruption laws and regulations, and our Anti-Bribery and Corruption Program expressly prohibits bribery in any form. We require prior written approval before giving, offering or promising:

- Entertainment, lodging, meals or travel to government officials.
- Employment or work experience to job candidates who are senior-level government officials, relatives or referrals of senior-level government officials, or referrals of certain senior-level commercial persons.
- Certain corporate political and charitable contributions.

We conduct an annual anti-bribery and corruption risk assessment of all global business lines. It addresses many areas of risk, including gifts and entertainment, hiring practices and third-party relationships. We train our employees on anti-bribery and corruption annually, and supplement it with targeted training and communications as needed. We give employees multiple ways, including an Ethics Hotline, to escalate instances of corruption and to prompt investigations, where necessary.

Number who Completed Citi’s 2015 Anti-Money Laundering, Sanctions and Anti-Bribery and Corruption Training, by Region\*

Region	Number
Asia Pacific	63,865
Europe, Middle East and Africa	26,598
Latin America (including Mexico)	51,363
North America	71,497
Total	213,323

\* AML, Sanctions and AB&C training is a combined online training. Numbers include all Citi employees and contingent, contractor and temporary workers who completed the 2015 training as of February 9, 2016. Employees and non-employee workers have 30 days to complete the training once it is assigned.

Sanctions Program

Citi conducts business and operations in compliance with applicable sanctions, laws and regulations, including those of the United States 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 United States, Citi and its subsidiaries globally comply with applicable U.S. sanctions requirements, among other requirements.

Our enterprise-wide Sanctions Program promotes compliance with increasingly dynamic sanctions requirements. The program includes policies and procedures, 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.

OTHER PROGRAMS AND INITIATIVES

Other programs and initiatives that help us manage our compliance risk include, but are not limited to, Citi’s Anti-Money Laundering Program and Citi’s taxation policies and standards.

**We have more than 2,500 anti-money laundering professionals, including over 400 designated anti-money laundering officers covering every Citi business, function and geographic area.**

#### **Anti-Money Laundering Program**

One of our most important obligations is to protect the integrity of the global financial system. Our Anti-Money Laundering Program helps protect our clients, businesses and the financial system from the risks of money laundering, terrorist financing and other financial crimes. It is based on our Anti-Money Laundering Policy, which provides globally consistent controls to identify and mitigate risks related to anti-money laundering and comply with relevant laws and regulations. The program centers on:

- **Prevention:** We adhere to a robust Know Your Customer program of globally consistent policies and standards, customer risk scoring and onboarding.
- **Detection:** We monitor transactions globally to identify unusual or suspicious transactions or patterns of activity. Our anti-money laundering investigations unit reviews transactions as well as new and existing clients across businesses and regions.
- **Reporting:** We proactively create, track and file Suspicious Activity Reports, Suspicious Transaction Reports and Currency Transaction Reports, as required in many countries.
- **Governance:** Our enterprise-wide controls govern the overall program including global anti-money laundering policies, processes, testing and training.

We have more than 2,500 anti-money laundering professionals, including over 400 designated anti-money laundering officers covering every Citi business, function and geographic area. They help us execute the program and meet our anti-money laundering-related requirements.

#### **Taxation Policies and Standards**

Our commitment to our Mission and Value Proposition extends to our tax policies and approach to paying taxes. We operate in more than 100 countries and strictly abide by all tax laws in the United States and throughout the world. We are a current income tax payer, both within and outside the United States. 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 expect to supplement this transparency with additional country-by-country reporting requirements, as contemplated under the Organization for Economic Cooperation and Development 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 expect to be fully compliant with the Common Reporting Standard as it becomes law in approximately 90 countries. Similarly, we have a firm-wide policy applicable to customer transactions under which Citi will only engage in a transaction where there is a high degree of certainty that any tax aspects will be accepted by the respective taxing authorities.



**Our Ethics and Culture Committee reflects our commitment to promote a strong culture of ethical conduct. This committee is highly engaged and in continuous dialogue with management.**

### **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. Our corporate governance documents detail these policies and structures, including our executive compensation philosophy and Board of Directors' committee charters, all of which are available on our public website.

#### **Board of Directors and Committees**

Our Board aims to have at least two-thirds of its membership as independent directors.



Additionally, the Chairman of the Board is a non-executive independent director. As of January 2016, 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

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. This committee is highly engaged and in continuous dialogue with management.

#### **Executive Compensation**

We compensate our executives fairly, based on individual and company performance, competitive benchmarking and support of our Mission and Value Proposition. Citi's 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 incorporate shareholder and stakeholder input on executive pay into our [Compensation Philosophy](#).



### **WHAT'S AHEAD**

The dynamic global business environment creates new ethical challenges every day. We must help our employees practice sound decision-making and take actions that preserve our culture of integrity. Early identification of issues and resolutions are critical to maintaining strong relationships with our clients, business colleagues, employees and communities. We provide resources for our employees and agents to promptly raise concerns and ensure our policies encourage and reward the right behaviors.

Acting according to the highest ethical standards will always be a strong focus at Citi; it is our license to do business and the key to restoring and maintaining consumer and public trust. It also requires constant diligence. Citi has approximately 230,000 employees globally and many stakeholders who influence our decisions every day. We continue to reinforce our principles with programs that are sustainable in the long term.

Our commitment to our Mission and Value Proposition not only benefits us; it also helps raise ethical standards across the entire financial services industry. As financial system stewards, we constantly enhance and strengthen our Compliance programs. We regularly review our policies, procedures and programs to ensure we have the strongest possible controls.

**To find out more, go to:**  
[citi.com/citizenship](http://citi.com/citizenship)





# Trust

The trust of the people and communities we serve is the foundation of our business and our license to facilitate economic progress around the world. Citi works to earn that trust every day by safeguarding our customers' assets and information and conducting business in a responsible, ethical way.



## WHAT'S HAPPENING

According to the 2015 Edelman Trust Barometer, consumer trust in business globally reached its lowest point since the 2009 recession. Data breaches, air disasters, government scandals and bank misconduct shook public confidence and drove trust in business among informed consumers below 50 percent in half the countries surveyed.<sup>1</sup>

In a digital world, information security and privacy are fundamental to customer trust. Potential threats from organized crime, terrorist organizations, state-sponsored actors, political activists and others who want to steal assets or disrupt a way of life have increased dramatically. Consumers expect companies to protect their personal information from these risks, but do not want to be inconvenienced by extra security measures.

Another component of trust is doing business fairly and ethically. For consumers in the Edelman Trust Barometer survey, this includes actions such as employing ethical and transparent business practices, listening to customers' needs and feedback, offering innovative products and services, and addressing society's needs in everyday business.



## WHAT CITI IS DOING

Citi is committed to the highest standards of ethical conduct and responsible finance. In 2015, we recommitted to our mission to serve as a trusted partner by responsibly providing financial services that enable growth and economic progress. Our new [Mission and Value Proposition](#) articulates what consumers can expect from us, and underscores our promise to protect our customers' savings, act responsibly, manage risk and adhere to the highest ethical standards.

### Information Security

Information security is a top priority at Citi. We not only have stringent policies and technologies to protect our data and systems, we lead the way in raising the security of our industry. We work with clients, competitors, governments, law enforcement agencies and intelligence agencies to share best practices and conduct joint cyber resilience exercises.

We have an intelligence-led security program. We study information security challenges across industries to learn how to strengthen our own defenses. We also have strong mechanisms and security features to detect and respond to problems as quickly as possible to minimize impacts on our customers, clients and business.

For more information on how we protect customer accounts and help customers protect themselves, see the [Citi Security Center](#).



## 2015 HIGHLIGHTS

Pew Charitable Trusts ranked Citi among

**the top 10 retail banks**

in the United States in terms of overall disclosure, overdraft and dispute resolution practices

We placed

**1st or 2nd**

in industry rankings for Retail Bank or Credit Cards in

**15 of our 19 markets**

We trained over

**123,000 employees**

on Citi's Global Consumer Banking Fairness Policy and Treating Customers Fairly Program

<sup>1</sup> "Trust in Institutions Drops to Level of Great Recession", Edelman, January 2015.

**We protect personal information with physical, electronic and procedural safeguards that meet or exceed applicable laws.**

### Privacy

We know how important privacy of personal information is to our customers and securing it is essential to maintaining trust and confidence. We protect this information with physical, electronic and procedural safeguards that meet or exceed applicable laws. We train our employees to properly handle personal information and, when we use other companies to provide services for us, we require them to protect the confidentiality of personal information they receive. We also offer customers choices of how their personal information may be shared. For more on our customer privacy policy, see our [Online Privacy Statement](#).

Citi follows all laws and regulations governing privacy, confidentiality and information security. Many countries have data protection, bank and professional secrecy or privacy laws affecting the collection, use, storage and transfer of personal and confidential client information. We also adhere to our own security standards including, but not limited to, the Citi Information Technology Management Policy, the Citi Information Technology Management Standards and the Citi Information Security Standards. For related information, download our [Code of Conduct](#).

### Treating Customers Fairly

As part of our efforts to deliver an outstanding customer experience, we developed the Treating Customers Fairly (TCF) Program, which focuses on ensuring our products and services demonstrate four qualities: fairness, value, clarity and dependability. We launched the TCF program in our U.S. Consumer Bank in 2013, and began expanding it globally in 2014. TCF is one way we are adapting our business to what the market demands and earning what matters most – our customers' trust.

TCF provides a globally consistent framework for our Consumer Bank to consider issues, products and services in ways that keep



## CASE STUDIES



### CITI ENHANCES SECURITY THROUGH TECHNOLOGY

Biometric technologies that use personal physical characteristics such as fingerprints, iris recognition and voice recognition to verify identities offer us new ways to enhance data security and customer experiences. In 2015, Citi launched a voice authentication project in the United States that allows our credit card customers to use their voice to verify their identification when they call us. Approximately 250,000 customers have opted in since the launch by setting up a "voiceprint", which takes less than a minute. The technology is more secure and more convenient for customers.



### CONSUMER-FRIENDLY POLICIES

A 2015 report by [Pew Charitable Trusts](#) ranked Citi among the top 10 retail banks in U.S. in terms of overall disclosure, overdraft and dispute resolution practices. Citi consistently maintains some of the most consumer-friendly practices in the industry, particularly regarding overdraft fees. It has been a longstanding policy never to authorize ATM or point-of sale debit card transactions if sufficient funds are not available. Checks are processed from the lowest dollar amount to the highest, instead of using the standard method of clearing the biggest checks first, to minimize the number of potential overdrafts, and we do not impose a "continuous overdraft" fee. In addition, we offer the no-overdraft-fee Access Account, a checkless banking account with low or avoidable monthly charges and no overdraft fees that serves many customers' needs with convenience and simplicity.

**We invest in 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.**

the customer first. The program guides our interactions with customers and provides tools our businesses use to ensure their products and services are fair. TCF principles are an important tool to improve customer satisfaction. Last year, we completed a transformation of our U.S. card benefits to make them more relevant and valuable to customers. With TCF as a guide, the U.S. Cards team removed some benefit exclusions and updated Benefit Guides so they are clearer, more streamlined and easier to understand.

As part of the TCF program, Consumer Bank employees are required to complete an annual fairness training to ensure they understand how to identify issues of fairness and how fairness influences real-world results. In 2015, more than 123,000 Citi employees around the world completed the course.

#### **Responsible Marketing**

We always try to be clear when marketing products and services. If our practices appear to fall short, we take corrective action. Following a review by U.S. regulators of banks' marketing and billing practices related to U.S. credit card add-on products like debt protection and credit monitoring in 2011, we took actions to strengthen our vendor management programs, product and process oversight and training for customer facing associates. We also ceased marketing credit card add-on products in the U.S. in 2013. The actions taken enhanced controls for add-on products we still provide. In 2015, Citi entered into consent orders with the Consumer Financial Protection Bureau (CFPB) and the Office of the Comptroller of the Currency (OCC), which included \$700 million in customer remediation and \$70 million in penalties. We continually review our policies and controls to meet or exceed the high standards that we expect and our customers deserve.

#### **Customer Feedback and Satisfaction**

We strive to deliver the service and experience our customers expect. We invest in 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 new listening command center proactively identifies emerging issues through multiple channels including social media, phone, chat and email. Our team uses a closed-loop feedback process to follow up with customers who indicate through surveys that they have unresolved service issues. We leverage data and analytics to understand the root cause of problems so we can preempt them in the future.

Citi tracks customer satisfaction and engagement through the Net Promoter Score (NPS) system, which measures customers' willingness to recommend Citi to others, and increasingly, through social media. We revamped our approach to capturing customer feedback through a new survey platform and reporting tool, through which we measure NPS, and use standard metrics and processes to compare regions and surface best practices and problem areas. We are building dashboards to deliver survey results and customer feedback in near-real-time so we can more quickly see and act upon customers' feedback.

In 2015, we placed first or second in industry rankings for Retail Bank or Credit Cards in 15 of our 19 markets.



#### **WHAT'S AHEAD**

Earning and maintaining trust in a rapidly changing world is challenging. Newly emerging security threats, technology advances, changing regulations and evolving consumer expectations require us to continually refine our policies, procedures, systems and technology to keep pace.

We will continue to invest in technologies to enhance security, protect our customers' assets and make our interactions with customers more secure and more convenient. We will engage with consumers, monitor their changing needs and explore new products and services – particularly digital banking services – that meet those needs, deliver enhanced value and respect privacy and security.

**To find out more, go to:**  
[citi.com/citizenship](http://citi.com/citizenship)





# Inclusive Cities

Investing in cities has been central to our business since Citi was founded in 1812; it is in our DNA. As more people around the world move from rural to urban areas in unprecedented numbers, we are expanding our work to help build vibrant, inclusive communities where all citizens can fulfill their potential.



## WHAT'S HAPPENING

While the rise of megacities with more than 10 million inhabitants captures the headlines, cities of all sizes are growing rapidly. The fastest growth is occurring in smaller and medium-sized cities of up to one million inhabitants.

Regardless of size, municipal governments are looking for new ways to address residents' growing need for affordable housing, social services, energy, economic empowerment, financial inclusion and infrastructure. They need partners to help them address entrenched barriers to urban progress and provide tools and solutions to connect citizens to services.

Meaningful employment is also essential to community and household financial success. As urban economies evolve, income generation strategies must be combined with efforts to help families save and invest for the future. We must create an economy where households at all income levels have opportunities to succeed.



## WHAT CITI IS DOING

Citi helps build economically vibrant and inclusive cities and communities by supporting modern infrastructure, stimulating local economies, enabling public services to run smoothly and empowering residents to attain financial success. Our approach, Citi for Cities, brings many parts of our firm together to address cities' immense challenges.

### Stimulating Local Economies

Citi works with companies, governments and institutions of all sizes and scope that power the global economy and help cities fulfill their potential as places of opportunity.

We are the leading bank for multinational companies, many of which employ large urban workforces. We commit significant money and resources to lending programs, commercial banking services and community investments that cater to small business and entrepreneurs. We lent more than \$10 billion to U.S. small businesses in 2015, bringing our total over the past five years to \$46 billion. We provide access to capital through loans, lines of credit and other conventional products to small business owners. Citi's Community Development, Community Capital and Inclusive Finance divisions also work with local and national, mission-based community development financial institutions, community development corporations, microfinance institutions and local municipalities.



## 2015 HIGHLIGHTS

We lent more than  
**\$10 billion**  
to U.S. small businesses bringing  
our total to \$46 billion  
in the past five years

We provided a record  
**\$4.8 billion**  
in loans for 228 affordable  
housing transactions that  
supported more than  
**39,000 units**  
across the United States

**20 cities**  
have joined Cities for Citizenship,  
a national program led by Citi  
and the mayors of New York City,  
Los Angeles and Chicago

Our work helps revitalize neighborhoods and connect citizens to much-needed services including financial services, affordable housing and sustainable transportation.

Our activities help entrepreneurs start businesses and help business owners – including women, minorities, immigrants and veterans – create jobs, propel the economy and put more people on the path to financial security. We support those who want to start or grow businesses in a variety of ways. For example, our Citi Mobile Challenge, which launched in 2014 in Latin America and expanded to our Europe, Middle East and Africa, and Asia Pacific regions in 2015, is a competition for innovative financial technology start-ups with a focus on financial inclusion. Winners receive awards such as cash prizes, business consulting services and mentorship.

Strengthening Communities

Year	Lending to Small Businesses in the United States
2011	\$7.9B
2012	\$9.6B
2013	\$9.1B
2014	\$9.2B
2015	\$10.0B

Supporting Urban Growth

We help finance and make direct investments in infrastructure projects in cities around the globe. Our work helps revitalize neighborhoods and connect citizens to much-needed services including financial services, affordable housing and sustainable transportation.

An example of this work is our role in financing the upcoming construction of Mexico City's new international airport. The \$13 billion project is expected to also consist of financing in the bond markets using an innovative securitization of passenger fees. The Citi-led transaction is one of the largest emerging market, privately financed infrastructure financings and will enable replacing the current Benito Juarez International Airport, which is operating at full capacity and has limited room to expand.



CASE STUDIES



NEW AFFORDABLE HOUSING DEVELOPMENT COMBINES HOUSING AND HEALTHCARE

Citi provided a construction to permanent loan, a subordinated loan, an AHP sponsorship and equity through the Raymond James multi-investor fund to LINC Housing Corporation for a new affordable housing community in the Willowbrook neighborhood of Los Angeles County. The 61-unit community, called Mosaic Gardens at Willowbrook, will provide housing for low-income and formerly homeless households. LINC recognizes the link between health, housing and other social factors and as a participant in the Citi Foundation supported program *Partners in Progress*, explored different approaches to leverage affordable housing to address the health needs of the community. Taking their learnings from the program, LINC is embedding numerous architectural and landscape features into this project to promote healthy living and enhance residents' quality of life, including a community garden to grow healthy foods.



PATHWAYS TO PROGRESS LEADS TOWARD FINANCIAL SUCCESS

*Pathways to Progress* is a global [Citi Foundation](#) initiative focused on ensuring the future financial success of young people from low-income families. We provide opportunities for entrepreneurship training, leadership and service opportunities, mentoring relationships and summer jobs to help youth become career ready. In 2014, we committed \$50 million over three years to benefit 100,000 young people in 10 large U.S. cities; already, more than 70,000 young people have participated in the program. In 2015, *Pathways to Progress* expanded globally with the release of [new research](#) connecting the future competitiveness of 35 global cities and investments made to help youth develop the skills and networks needed to succeed. For more information on our *Pathways to Progress* work, download our [Foundation Fact sheet](#).



## City Accelerator connects urban technologists and experts in municipal innovation with city governments across the United States.

### Bringing Innovation and Efficiency to Public Services

Cities need new ideas to improve the way they work and enhance quality of life, especially for low-income residents. In response to this need, we partner with nongovernmental organizations (NGOs) and community organizations that act as change agents to find solutions to persistent social and economic challenges.

An example of this work is the City Accelerator, a Citi Foundation-led initiative in collaboration with Living Cities that serves as an incubator for innovation among municipal leaders. The program connects urban technologists and experts in municipal innovation with city governments across the United States. The first three cities to participate, Louisville, Kentucky; Nashville, Tennessee; and Philadelphia, Pennsylvania, are working on solutions to problems such as urban homelessness, lack of affordable housing and low enrollment in taxpayer benefits.

Cities in the second cohort – Albuquerque, New Mexico; Atlanta, Georgia; Baltimore, Maryland; New Orleans, Louisiana; and Seattle, Washington – are enhancing innovation through civic engagement to meet the needs of immigrant entrepreneurs, rebuild community trust, reduce recidivism rates and close gaps in healthcare. Cities in the third cohort, Saint Paul, Minnesota; San Francisco, California; Pittsburgh, Pennsylvania; and Washington, D.C., will focus on infrastructure finance.



### CASE STUDIES



#### PERUVIAN MICRO-ENTREPRENEURS GAIN BANKING SUPPORT

In Peru, 12 Cajas Municipales de Ahorro y Credito (CMACs) service the financial needs of one million micro-entrepreneurs in urban and rural areas. CMACs are wholly owned by their local municipalities and serve a group largely ignored by most banks. As Peru's economy expanded, so too did the banking needs of these micro-entrepreneurs. In partnership with CMACs' national coordinating federation (FEPCMAC), Citi helped integrate CMACs and their micro-entrepreneur clientele into the international trade market. Banking services are now available to send and receive money transfers worldwide, along with vital international trade products including import/export letters of credit and collections. CMACs also have access to Citi's expertise and our global network and electronic banking platform, CitiDirect.

#### LOW-INCOME TAXPAYERS COLLECT WHAT THEY EARN

The United States earned income tax credit (EITC) provides an average tax refund of \$2,500 per household to low- and moderate-income working families, yet many who are eligible do not take advantage of the benefit. Citi is the only corporate partner in the New York City's largest ever EITC education campaign and supported expanded free Volunteer Income Tax Assistance (VITA) sites around the city. In 2015, approximately 150,000 low-income New Yorkers filed their taxes at a VITA site, a 50 percent increase from the year before. Hard-working families gained an estimated \$250 million in EITC refunds and tax preparation savings.



Citi helps build economically vibrant and inclusive cities and communities by supporting modern infrastructure, stimulating local economies, enabling public services to run smoothly and empowering residents to attain financial success.

## CATALYZING INCLUSIVE CITIES

### PUBLIC SERVICES INNOVATION

Citi Foundation supported municipal innovation in 8 U.S. cities in 2015 through the City Accelerator program.

20 U.S. cities have joined Cities for Citizenship and more than 6,000 individuals nationwide were assisted in their pursuit of citizenship.

### SUSTAINABLE INFRASTRUCTURE

Contributed to \$1.9 billion for water quality and conservation projects.

Provide financing for building retrofits and commercial and residential solar solutions to promote energy efficiency.

### INVESTING IN PUBLIC TRANSPORT

Helped to raise \$4.2 billion in capital for sustainable transport solutions.

We provided \$2 million to expand Citi Bike program into Jersey City, on top of \$82 million to support Citi Bike in New York City and Miami.

### SMALL BUSINESSES & ENTREPRENEURS

Lent more than \$10 billion to U.S. small businesses bringing our total to \$46 billion over the past five years.

### AFFORDABLE HOUSING

Closed a record 228 affordable housing financings, totaling \$4.8 billion in loans in the U.S.

Helped develop over 1,300 units of affordable housing for homeless, at-risk and low-income veterans since 2012.

### DIGITAL INFRASTRUCTURE

Provide technology to digitize and improve municipal services, enhance security and connectivity, increase efficiency, lower costs and increase convenience for residents and businesses.

### COMMUNITY PROGRESS

Citi Foundation supported 376 NGOs to promote economic progress in low-income communities.

Citi Foundation launched \$20 million Community Progress Makers Fund.

### EDUCATION AND TRAINING

Invested \$25 million in Turner Agassi Charter School Facilities Fund II to finance high-quality educational facilities.

Enabled over 103,000 youth to enroll or complete postsecondary education and training through the Citi Foundation's grants.

## By the end of 2015, 20 cities had joined the Cities for Citizenship campaign and thousands of individuals nationwide were assisted in their pursuit of citizenship.

### Enabling Routes to Citizenship

Research shows that foreign-born residents who secure U.S. citizenship have higher potential for financial success. Their incomes rise by up to 11 percent and they are four times more likely than non-citizens to have bank accounts. The problem is 8.8 million eligible residents, more than half of whom are low-income, have not taken the final steps to secure citizenship. In addition to providing greater financial security, securing citizenship strengthens local economies. If all those who are eligible become U.S. citizens, the U.S. economy would be boosted by \$52 billion. Citi Community Development partnered with the mayors of New York City, Chicago and Los Angeles, and NGOs to develop Cities for Citizenship, a national campaign to increase U.S. citizenship and financial capability among eligible legal permanent residents in 2014. By the end of 2015, 20 cities had joined the campaign and thousands of individuals nationwide were assisted in their pursuit of citizenship, including over 6,000 individuals in New York City alone.

### Helping Residents Attain Financial Success

Cities prosper only if residents have healthy financial lives and the resiliency to withstand unexpected setbacks. We have long played a leadership role in promoting financial inclusion and strive to give everyone access to fair, affordable and appropriate financial services. In 2014, we created the Access Account, a checkless banking account with no or low monthly fees and no overdraft fees. The account offers customers access to Citi's digital banking capabilities as well as retail locations and ATMs. We enhanced the Access Account in 2015, making it possible for customers to sign up online and link it to a savings account.

Our financial inclusion innovations are part of our broader efforts to promote financial success through income generation and asset building. Through 2015, Citi's pioneering partnership with the City and County of San Francisco on the nation's first universal child college savings account program, Kindergarten to College, has helped families save over \$1.5 million of their own money.

### Affordable Housing and Homeownership

Affordable housing for all residents is vital to healthy cities. We are proud to be the top affordable housing lender in the United States, according to *Affordable Housing Finance Magazine*, an honor made possible in large part by Citi Community Capital. This Citi lending and investing group provides creative financing to affordable housing developers, nonprofits and government entities focused on community development. We had a record year in 2015, closing 228 affordable housing financings totaling \$4.8 billion in loans for more than 39,000 units across 28 states, the District of Columbia and Guam.

Through the Citi Office of Homeownership Preservation (OHP), we help U.S. homeowners in difficulty find alternative solutions to foreclosure. In 2015, we continued our foreclosure prevention and intervention outreach efforts through our Road to Recovery Program, and in partnership with nonprofit organizations like Hope Now, as well as with other sponsoring entities. The OHP participated in a total of 36 events in more than 30 cities meeting face to face with 627 borrowers in need of assistance. Citi continues to take part in government sponsored programs that help homeowners, and has been a major participant in the Federal Home Affordable Modification Program since its inception.

Through Citi Salutes, our firm-wide commitment to veterans and military families, we partner with the Local Initiative Support Corporation and National Equity Fund on Bring Them HOMES. This initiative secures predevelopment funding for transitional housing for homeless, at-risk and low-income veterans, service members and their families. So far, we have helped develop 1,300 units in 21 affordable housing developments in U.S. cities. In 2015, we celebrated the opening of Veterans New Beginnings in Chicago, IL, a 54-unit facility providing shelter and services to homeless veteran men and women.



### WHAT'S AHEAD

We are proud of our reputation as the go-to bank cities turn to with their most challenging, visionary projects. Our priority going forward is to continue developing novel financing models and public-private partnerships to keep pace with cities' growing needs. We leverage our on-the-ground teams around the world to understand what is happening locally, apply our resources where they are needed most today, and anticipate and prepare for what cities will need tomorrow.

To find out more, go to:  
[citi.com/citizenship](http://citi.com/citizenship)



# Financing Development

Citi has provided capital to governments, corporations and development organizations to support economic, social and environmental progress for more than 200 years. We know new types of financing solutions and partnerships are needed to meet 21st century challenges. We remain as committed as ever to do our part to enable global progress.



## WHAT'S HAPPENING

Significant investments in infrastructure and services including healthcare, education, clean energy, water and sanitation are needed to advance global development and growth. It will take an estimated \$89 trillion in energy, transportation, communications and other infrastructure investment to maintain or strengthen global economic growth between now and 2030.<sup>1</sup> Furthermore, in September 2015, more than 150 world leaders adopted a new development agenda including the United Nations (UN) Sustainable Development Goals (SDGs). The cost to achieve these 17 transformative goals aimed at ending poverty and hunger, creating more equitable, just and inclusive economies and building a more sustainable planet is estimated at \$4.5 trillion annually.<sup>2</sup>

Public financing, business-as-usual private financing and philanthropy are not enough to fill these unprecedented needs. The public and private sectors must work together to develop market-based solutions that address development challenges, including ways to leverage capital markets and scale innovative financing structures. Businesses, including Citi, are embracing their roles in advancing new solutions because supporting global development promotes progress and is also good for business.



## WHAT CITI IS DOING

Financing and driving development is one of our clients' key priorities. Our relationships with private and public sector clients including governments, development agencies and development financial institutions in more than 100 countries give us unique insights into what works in policy and practice to address governments' and citizens' needs in sustainable ways.

### Global Leadership

When the UN hosted its Third International Conference on Financing for Development (FfD3), Citi played a key role and had frontline business representatives at the table. Jay Collins, vice chairman of our Corporate and Investment Bank, was honored to share the stage at the Opening Plenary with luminaries Jim Yong Kim, president of the World Bank, and Ban Ki-moon, secretary general of the United Nations, to discuss how capital markets can help bridge the SDGs' financing gap. "The only way to plug the \$3 trillion funding gap for the new global Sustainable Development Goals is for the public sector to leverage the private sector and take advantage of the power of capital markets," said Collins. "We will need to usher in a bold new era of public-private collaboration to reach these new ambitious objectives." We knew financing would be crucial - and we came prepared to find solutions.



## 2015 HIGHLIGHTS

We have provided over  
**\$412 million**  
in financing to date to

**44 microfinance institutions**  
in

**25 countries**  
and reached more than

**1.2 million entrepreneurs**  
of whom

**92% are women**  
as part of our over decade-long partnership with the U.S. Government's Overseas Private Investment Corporation

<sup>1</sup> Better Growth, Better Climate: Financing a Low-Carbon Future, The New Climate Economy, September 2014.

<sup>2</sup> Blended Finance Vol. 1, World Economic Forum, September 2015.



With our local, on-the-ground presence and commitments in many developing countries and emerging and frontier markets, Citi helps governments mobilize domestic resources, strengthen domestic capital markets, raise local currency finance and access funds in global capital markets to meet their economic, infrastructure and development needs.

We are involved in several global initiatives to promote financing for development. Among them are the [World Bank Global Infrastructure Facility](#), a global open platform that facilitates complex sustainable infrastructure public-private partnerships; and [Convergence](#), a platform that brings public and private investors together to invest in emerging and frontier markets.

#### Public-Private Partnerships

Partnering with the public sector to help finance development is not new to Citi. We have long-standing partnerships with the World Bank Group's Multilateral Investment Guarantee Agency and the U.S. Government's Overseas Private Investment Corporation (OPIC) through risk-sharing and other forms of guarantee mechanisms that enable us to provide capital to the world's least developed countries. We are a founding member of the Sustainable Development Investment Partnership (SDIP) that includes governments, foundations and the private sector working to mobilize more than \$100 billion in private capital over five years for infrastructure projects in developing countries. Going forward, we see even more opportunities to incorporate public and philanthropic capital to catalyze and bring in private sector capital to support global growth and development.

#### Thematic Bonds

We believe in the power of thematic bonds, which raise funds in global capital markets based on socially responsible issues or "themes". We are leaders and innovators in this space, issuing our first thematic bond – a "socially responsible investing" corporate bond – in 2012, and our first green bond for the International Financial Corporation in 2013, which raised much-needed capital for climate-friendly investments in developing

countries. Since then, we have helped clients underwrite thematic bonds for other global issues to meet their social and environmental goals. We also helped clients to raise nearly \$8 billion in green bonds in 2015. For more information on green bonds, download our [Sustainability Fact sheet](#).

#### Local Government Support

While foreign investments and global capital are important, we know it will also take domestic resources and local commitment to achieve development. With our local, on-the-ground presence and commitments in many developing countries and emerging and frontier markets, Citi helps governments mobilize domestic resources, strengthen domestic capital markets, raise local currency finance and access funds in global capital markets to meet their economic, infrastructure and development needs.

#### Microfinance and Small and Medium-Sized Enterprise Finance

Micro, small and medium-sized businesses are priorities for many governments. They are engines of economic growth that create jobs and build livelihoods, particularly in developing countries, but they face the greatest barriers to finance. To promote development and economic progress, Citi Inclusive Finance gives micro, small and medium-sized businesses access to financial products and services. We partner with public entities and other financial institutions when we cannot do it alone. Globally, our partnership with OPIC has allowed us to provide more than \$412 million in financing to 44 microfinance institutions in 25 countries and reach more than 1.2 million entrepreneurs, 92 percent of whom are women. We also provide capital to financial institutions in developing countries that in turn lend it to small and medium-sized companies.



#### CASE STUDY



#### CITI SUPPORTS SENEGAL POWER PROJECT

The West African country of Senegal has high electricity costs and low energy access. Only 55 percent of the country has access to electricity and in rural areas, access falls to 28 percent.<sup>3</sup> In August 2015, Citi issued a €36.5 million syndicated standby letter of credit on behalf of the Republic of Senegal and Senelec to support Tobene Power's Tabia Ndiaye power project. The project, an integral part of the Senegalese government's electricity production plan, is expected to meet more than 16 percent of electricity demand in Senegal and significantly reduce the average cost of electricity production on the Senelec network.

This transaction is an example of our support of the [Power Africa](#) initiative, which aims to double access, reliability and sustainability of the electricity supply through investments in energy infrastructure, policy and regulatory reforms and institutional capacity building in sub-Saharan Africa (SSA). In 2014, we committed to source \$2.5 billion in incremental capital for the energy sectors in the SSA region over the next five years.

<sup>3</sup> [Power Africa in Senegal](#), USAID.



## CASE STUDIES



### FINANCING WOMEN ENTREPRENEURS IN INDIA

Women face significant barriers to financial access, particularly in the developing world. In India, Citi has a \$10 million loan facility, partially guaranteed by the Overseas Private Investment Corporation, with Ujjivan Financial Services, a microfinance institution that provides microloans to India's female urban micro-entrepreneurs. This facility enables women entrepreneurs to get access to loans to grow their businesses, hire employees and promote economic progress for themselves, their families and communities. As an example, Shubhangi Dhobale, an entrepreneur in the city of Pune, built a paper goods business with her husband and employs other women from their neighborhood.

### ON-LENDING TO SUPPORT SMALL BUSINESS GROWTH IN PARAGUAY

Small businesses in Paraguay, like those in many countries, often lack access to credit, limiting their ability to grow. In June 2015, Citi closed a \$40 million, 10-year term loan for Banco Atlas in Paraguay with support from the Overseas Private Investment Corporation to expand access to finance to small businesses. This transaction enables Banco Atlas to accelerate its small business portfolio growth, strengthen its client base and offer clients a more stable, longer-term source of funding for business activities.

Whenever possible, we will leverage technology-enabled solutions that drive efficiency and reduce costs to make more financial resources available for development, reach underserved populations and expand financial access.



### WHAT'S AHEAD

Helping to build a more sustainable and prosperous world is important to Citi. We will continue to explore ways to increase the flow of private sector capital to finance development. We will work with clients to use thematic bonds to promote social and environmental progress and encourage them to take advantage of this instrument to raise capital for sustainable infrastructure investments. We also see opportunities for thematic bonds to incorporate risk mitigation such as the developing catastrophic bond market to push natural disaster risk into capital markets.

We hope to see progress in new financing structures through our participation in SDIP and Convergence. Whenever possible, we will leverage technology-enabled solutions that drive efficiency and reduce costs to make more financial resources available for development, reach underserved populations and expand financial access.

To find out more, go to:  
[citi.com/citizenship](http://citi.com/citizenship)



# Human Rights

The protection of human rights is essential to sustainable development. We respect human rights across our value chain and apply our policies to our employees, suppliers, clients, communities and countries where we do business. This approach is consistent with our values and helps ensure our success as a global business.



## WHAT'S HAPPENING

In 2011, the United Nations (UN) Human Rights Council endorsed the UN Guiding Principles on Business and Human Rights, creating a global framework for preventing and addressing the risk of adverse impacts on human rights linked to business activity. Since then, companies have engaged with stakeholders, human rights experts, clients and peers to find practical ways to uphold the guidelines. Human rights regulations have increased, violators are more exposed and companies are being pressed to publish their policies and report on their progress.

We believe all industries share responsibility for preserving human rights, and it has been an increasing focus of financial institutions in recent years. Since we first established our Environmental and Social Risk Management (ESRM) Policy in 2003 we have gone beyond a narrow focus on the activities we finance to also evaluate the impacts of those activities on people and the environment. At Citi, we assess how our business and operations may affect human rights. Our policies related to human rights are clear and each of us has a responsibility to adhere to them. We recognize, however, that these policies do not cover some of the indirect ways we can affect human rights. We are determined to find and manage human rights risks across our company, our supply chain and anywhere else we can influence the human rights agenda.



## WHAT CITI IS DOING

We first published our [Statement on Human Rights](#) in 2009. We updated it in 2014 to incorporate the UN Guiding Principles and address evolving societal, regulatory and ethical issues. During this process, we assessed our human rights impacts and identified issues across our employee population, supply chain, client and community engagements and the countries where we do business. We work to support human rights across our operations and expect everyone we work with, inside and outside Citi, to do so as well. We are guided by principles such as those in the UN Universal Declaration of Human Rights and the International Labour Organization (ILO) Core Conventions regarding child labor, forced labor, freedom of association, the right to organize and bargain collectively, equal pay and nondiscrimination in the workforce. We adhere to and regularly update the policies that underpin our Statement on Human Rights, communicate our approach externally and engage with stakeholders on issues of concern.



## 2015 HIGHLIGHTS

We reviewed  
**transactions covered by our ESRM Policy for human rights risks**  
as a part of our due diligence

We have been named a  
**100% Corporate Equality Index Company**  
by the Human Rights Campaign annually since 2004



While diversity and inclusion are not always discussed in human rights terms, they are critical in our business, especially in countries where there is no legal protection based on characteristics such as gender, gender identity, race, age or sexual orientation.

#### Our Employees

Our [Code of Conduct](#) prohibits unlawful discrimination, harassment and other behaviors that infringe on individual rights. Diversity and inclusion are of particular concern. While these issues are not always discussed in human rights terms, they are critical in our business, especially in countries where there is no legal protection based on characteristics such as gender, gender identity, race, age or sexual orientation. We provide diversity training to our employees to foster a respectful and inclusive work environment, and we investigate and take action on all violations. For more information on Diversity at Citi, download our [Diversity Fact sheet](#).

Freedom of association is another important human rights issue. While the financial services industry is not heavily unionized, we do have unions or work councils in approximately 30 countries, representing approximately 10 percent of our employee population. We engage directly with our employees and through these associations, and strive to provide fair compensation, benefits and working conditions.

Our employees are encouraged to use Citi's [Ethics Hotline](#) to raise and resolve concerns, questions and grievances. The hotline is open to external parties and available in several formats and languages.

#### Our Suppliers

Our suppliers are expected to adhere to Citi standards, including those related to human rights, as outlined in our [Statement of Supplier Principles](#). This expectation is reinforced by our Corporate Responsibility Questionnaire, which helps our procurement team determine how well potential and current suppliers manage corporate citizenship, environmental sustainability, diversity and human rights in their businesses. For more information on our supply chain work, download our [Sustainability Fact sheet](#).



#### CASE STUDIES



##### ADDRESSING HUMAN RIGHTS ABUSES IN THE THAI FISHING INDUSTRY

In 2014 and 2015, investigations by journalists and human rights organizations found labor and human rights abuses in the Thai fishing industry, which is part of several Citi clients' supply chains. Our policies expressly prohibit forced labor and we responded immediately. Our Environmental and Social Risk Management team and senior regional risk officers engaged clients to understand the situation. We found them working hard to address these issues - auditing operations to ensure their supply chains were free of forced labor, raising awareness of human rights and sustainability in their companies and developing policies and systems to track input and product sources. Where subcontractor labor violations were detected, clients hired those workers directly. Concurrently, the Thai fishing industry started a task force to share solutions and increase accountability. The Thai government mandated registration of all Thai fishing vessels and audits for labor protection. Companies intend to implement a tracking system that, by the end of 2016, will allow consumers to scan the barcode on a can of tuna at the supermarket and see the location, vessel and legal status of the vessel that caught the fish. We are monitoring this issue and helping clients address human rights risks.



##### MANAGING HUMAN RIGHTS IN THE PALM OIL SECTOR

Human rights risks exist across the palm oil supply chain. Palm oil grows in low-income, ethnically diverse tropical countries and its cultivation is both land and labor intensive. Palm oil plantation concessions often intersect with rural farmland and Indigenous communities as well. To address these issues, Citi joined the Roundtable on Sustainable Palm Oil (RSPO), a multi-stakeholder group and sustainability certification body that holds members accountable to environmental and human rights standards, in 2010. Our Environmental and Social Risk Management team looks into client adherence to RSPO human rights principles and actively participates in RSPO complaint panels, which manages and mediates compliance breaches. We perform annual reviews of our palm oil clients and directly engage with their senior management to ensure local community, indigenous and labor rights are respected. When human rights risks emerge, we work with our clients to ensure they make progress towards prescribed resolutions.

As a bank, what we finance is as important as how we operate. Therefore, assessing and managing human rights related to our clients is integral to respecting human rights at Citi.

Our Clients

As a bank, what we finance is as important as how we operate. Therefore, assessing and managing human rights risks related to our clients is integral to respecting human rights at Citi. Environmental and Social Risk Management (ESRM) – the review of clients and projects we finance for environmental and social risks including human rights – is central to our human rights due diligence and a key pillar of our [Sustainable Progress Strategy](#).

Our ESRM Policy prohibits activities we believe pose risks to us, our clients and our stakeholders. In the area of human rights, it prohibits financing any clients or projects involved in forced labor, harmful child labor and human trafficking. It also covers “Areas of High Caution and Special Focus” that require closer due diligence and heightened risk management, including social risks such as negative impacts to Indigenous Peoples, large-scale resettlement, and conflict risk. Wherever possible, we align our policies with multilateral and government entities as well as our financial services peers to ensure consistency in the market.

All Citi business units must comply with Citi’s ESRM Policy to assess and manage risks consistently around the globe. We review transactions covered by our ESRM Policy for human rights risks during the initial due diligence phase, and ensure prior to close that these risks are being properly mitigated and managed by our clients. For more information, download our [Sustainability Fact sheet](#).

In 2015, Citi closed 10 transactions where we conducted due diligence under our Statement on Human Rights. One transaction may have more than one human rights risk.

Closed transactions reviewed under Citi’s Statement on Human Rights

Human Rights Risk	# of Transactions where Risk was Identified and Managed
Indigenous Peoples	4
Labor Risks	2
Resettlement	6
Security Risks	1

Countries Where We Do Business

Citi has operations in more than 100 countries, each with its own human rights laws and practices. While we respect government sovereignty and understand that each nation has a duty to protect its citizens’ human rights, we know the laws in some countries where we do business do not meet global standards or our own internal standards. In these instances, we increase our due diligence to ensure we manage these risks, share best practices and set a positive example to raise human rights standards worldwide.

Continuous Learning and Improvement

The field of human rights is quickly evolving. To keep pace with emerging issues, we meet periodically with human rights experts to determine where we should focus our business and due diligence efforts. At a November 2015 meeting with external experts and our regional ESRM Champions, who support our ESRM Policy implementation around the world, we discussed how Citi can incorporate a human rights risk-based due diligence approach, looking at the severity of risk not just to our enterprise, but also to human rights holders. The stakeholders noted slave trafficking in the Thai seafood industry (see previous page) and labor issues in the electronics, construction and steel sectors as areas of concern. Understanding which sectors and geographies are higher risk for human rights violations helps us refine and focus our due diligence.



WHAT’S AHEAD

Citi and other global financial institutions operate within a complex framework when it comes to human rights. We do not have the same control or influence over client activities as we have over our own workforce and suppliers. So despite our policies, due diligence and intent to do the right thing, we risk associating with companies with potential human rights challenges. We see the next step as further dissecting these risks and working more closely with clients to address them. We already consider human rights in our client portfolio reviews and acknowledge the risks for human rights violations in higher risk sectors and countries, but we recognize the need to strengthen our due diligence approach. We will also continue to communicate and apply our employee equality policies in places where equality is not the norm.

Listening to stakeholder concerns and expert views is vital to staying on top of human rights issues. At our 2015 meeting with external experts, they urged us to consider how our products can support human rights. For example, one participant asked, “Can you use your remittance payment platforms to gather data that could indicate human trafficking, such as whether employers are holding immigrant workers’ passports, or if workers had to pay a fee to obtain their jobs?” Questions like this challenge us to use our resources in creative ways to protect human rights.

Whatever we do, we must see human rights not in terms of how it affects companies or finances, but how it affects people. This requires new ways of thinking and new risk management practices to ensure more sustainable progress for all involved. We are committed to finding the right balance without compromising our commitment to universal human rights standards.

To find out more, go to: [citi.com/citizenship](http://citi.com/citizenship)



# Sustainability

Citi's mission to enable growth and economic progress has remained the same for 200 years. Our approach, however, continually evolves to meet global needs. We began focusing on the intersection of finance and environmental and social challenges more than 15 years ago, and we understand the effect of these issues on our business, our clients and our stakeholders. Then, as now, we work to incorporate sustainability principles into everything we do to help ensure business success, improve our operations and contribute to a strong global economy.

## Our Five-Year Roadmap

In 2015, we launched our Sustainable Progress Strategy, which is aligned with our corporate strategy and our goal to create value for our company and for future generations. Through a materiality assessment focused specifically on sustainability issues, we identified climate change, sustainable cities and people and communities as our top priorities. We are tackling these issues with activities in three areas:

1. **Environmental Finance:** Advising on and financing projects focused on environmental and climate change solutions.
2. **Environmental and Social Risk Management (ESRM):** Helping our clients understand and manage risk associated with the impact of their businesses on the environment and communities.
3. **Operations and Supply Chain:** Managing our own operations and supply chain to minimize our direct environmental impact, reduce costs and demonstrate best practices.

## Our Progress

Our Sustainable Progress Strategy outlines our commitments in each of our focus areas, most notably, our environmental finance goal to lend, invest, and facilitate \$100 billion over 10 years for environmental solutions and activities to reduce climate change impact. We are making significant progress in all areas, as highlighted below and detailed in this report.

**“Incorporating the principles of sustainability into everything we do improves our own operations, enhances our clients’ work, and contributes to a better world.”**

**Michael L. Corbat**  
Chief Executive Officer,  
at Sustainable Progress launch  
event on February 18, 2015



## 2015 HIGHLIGHTS

We participated in  
**\$47.6 billion**  
in environmental finance  
activities toward our \$100 Billion  
Environmental Finance Goal

We developed a new  
**Coal Mining  
Standard**  
that commits us to reduce our  
credit exposure to the sector

We achieved our stretch  
goal to reduce Scope 1 and 2  
GHG emissions by  
**25% without  
carbon offsets**

Over  
**675 suppliers**  
completed our Corporate  
Responsibility Questionnaire



**We work with our employees, clients, suppliers and partners to implement our sustainability strategy and understand how emerging trends affect us and our stakeholders.**

### **Sustainability Governance**

Oversight of Citi's sustainability efforts, including environmental and social issues such as human rights, is provided by our Board's Nomination, Governance and Public Affairs Committee and includes an annual review of our sustainability performance. In 2015, we reconfigured our cross-business steering committee to align with and support our new Sustainable Progress Strategy. The new Environmental and Social Advisory (ESA) Committee is co-chaired by senior executives in our Institutional Clients Group (ICG) banking and risk organizations, and includes executives from banking, risk, public affairs and operations, as well as the heads of Corporate Sustainability and Environmental and Social Risk Management (ESRM). The ESA Committee advises on and supports the implementation of Citi's Sustainable Progress Strategy, including the \$100 Billion Environmental Finance Goal and ESRM objectives. The Committee meets approximately three times per year in person or by phone. At the regional level, Citi also has a Climate and Sustainability Council based in London, United Kingdom, and focused specifically on our sustainability performance in the Europe, Middle East and Africa (EMEA) region. This senior level committee is also cross-functional and helps ensure our approach to climate change and sustainability is strategic and client focused.

Our Corporate Sustainability team, working across business units and regions, is responsible for setting Citi's sustainability strategy in partnership with the businesses, and for managing and monitoring strategy implementation and reporting on our progress. Citi's ESRM Policy is managed by the ICG ESRM unit, which works closely with ESRM specialists in our Commercial Bank and regional ESRM Champions. Our Corporate Realty Services group has a specialized sustainability team that manages our environmental footprint and green building goals, and our Enterprise Supply Chain Development, Inclusion and Sustainability team oversees supply chain sustainability. These specialized teams sit within their respective business units, ensuring ownership of sustainability goals throughout the firm.

### **Engagement and Transparency**

Partnership, engagement and transparency are required to solve the complex sustainability challenges we face globally and are essential components of growth in the environmental and climate finance markets. We work with our employees, clients, suppliers and partners to implement our sustainability strategy and understand how emerging trends affect us and our stakeholders. We embed sustainability in all parts of our business and solicit candid feedback on how we can do better. We track and publicly communicate our performance annually and encourage our clients and suppliers to do the same.

Sustainability has been part of our business agenda for nearly two decades. Our Sustainable Progress Strategy clearly defines our path for the next five years. There is a lot of work ahead, but we are proud of the progress we have made so far – in partnership with our clients and stakeholders – to combat society's toughest challenges.



### **CASE STUDY**



### **RAISING A CLIENT'S ESRM PRACTICES**

In 2015, ESRM conducted a five-day monitoring visit to Mexico for a project financed by Citi's Banamex unit and a consortium of five banks and two export credit agencies. The project is a \$1.5 billion, 500-hectare manufacturing facility for which Citi and a banking syndicate provided a \$600 million loan. The loan triggered the Equator Principles (EP) as a Project Related Corporate Loan and was subject to internal EP review by our dedicated ESRM team and an external environmental consultant. During the review, we determined the client did not have an international level Environmental and Social Management Plan (ESMP). Development of an ESMP was included in the EP Action Plan, which was covenanted into the loan agreement. During the monitoring visit, our ESRM team worked directly with company environmental engineers and facility managers and collaborated with an independent environmental and social consultant to assist the client in creating their ESMP. The plan included a community grievance mechanism to promote healthy relations between project-affected communities and the project sponsor, as well as pollution controls and worker health and safety programs.

## SUSTAINABLE PROGRESS FRAMEWORK AND SCORECARD



### Environmental Finance

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

Goal	Metric	By	Progress (cumulative 2014 + 2015)
Environmental Finance Goal	\$100 billion	2023	\$71.2B
Environmental Impact Tracking*	Total GHG annual CO <sub>2</sub> e emissions avoided	Ongoing	7,639,436 mt
Social Impact Tracking*	Jobs supported (direct, indirect and induced) For renewable energy project finance and tax equity activities only	Ongoing	31,909 jobs
	Annual ridership on transit systems	Ongoing	4,219,233,524 rides
	Population served by water quality projects	Ongoing	34,778,485 people
	Families served by affordable housing	Ongoing	7,983 families
	Miles traveled on Citi Bike	Ongoing	32,119,884 miles

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



### Environmental and Social Risk Management

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

Goal	Progress
ESRM Policy Continuous Improvements	New Coal Mining Standard released in 2015 Sustainable Palm Oil Standard due diligence approach updated
Internal Training	Intensive week-long ESRM training in New York for Regional ESRM Champions 1,335 bankers and risk managers trained on ESRM Policy in 2015
Portfolio-Level Analysis of High-Risk Sectors	Reviewed Citi's mining portfolio for environmental management, greenhouse gas emissions and social performance Reviewed Citi's forestry and palm oil portfolios for human rights, biodiversity and fire/haze impacts as well as progress toward achieving 100% RSPO certification
Emerging Risks and Trends	Developed an Environmental and Social Risk Radar to more systematically identify emerging environmental and social risks, and included in regular ESRM updates to seniors
Building Global Capacity	Presented to Singapore banking regulator (OJK) on how the application of ESRM is helping to achieve sustainable access to energy for all, in accordance with the United Nations Sustainable Development Goals Advised Citi Peru on developing their local ESRM policies to meet Peruvian Superintendent of Banking's Regulation on Management of Social and Environmental Risk Presented to the Association of Supervisors of Banks of the Americas on Citi's approach to ESRM



### Operations

To minimize our impacts across Citi's entire portfolio of 12,000 owned and leased facilities

Goal	Metric	By	Progress	New 2020 Metrics
Environmental Footprint	25% reduction in absolute Scope 1 and Scope 2 GHG emissions (32% if considering offsets)	2015	25.0%	35% reduction in absolute Scope 1 and Scope 2 GHG emissions
	20% reduction in energy consumption	2015	22.2%	30% reduction in energy consumption
	20% reduction in water consumption	2015	22.1%	30% reduction in water consumption 10% of water used from reclaimed/recycled sources
	40% diversion of waste stream to landfill	2015	58.1%	60% diversion of waste stream to landfill
	15% of global real estate portfolio LEED certified	2015	16.2%	33% of global real estate portfolio LEED certified



### Supply Chain

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

Goal	Metric	By	Progress
Supply Chain Policies: • Paper and Paper Products • IT Hardware and E-waste Disposal • Travel and Logistics	Policy finalized and policy training implemented**	2018	White papers for each finalized and disseminated
Update Statement of Supplier Principles	Statement updated and disseminated	Q2 2017	Statement Update in Process. On track to be finalized and disseminated by end of 2016
Integration of Supplier Principles into Master Contracts	#/% of Contracts	2018	In progress
CRQ Rolled Out to All Regions	#/% of Suppliers	Q4 2018	In progress
Internal/External Training	Enterprise Supply Chain employees trained	2018	In progress
	Suppliers in all regions	2018	In progress

\*\* Four main steps: finalizing and disseminating white papers; integrating policies into Global Operations Procedures; finalizing, adopting and integrating policies; and providing policy training.



# Environmental Finance

**Financing renewable energy and other environmentally positive projects is a vital component of our Sustainable Progress Strategy. These projects combat climate change and support healthy communities, economic activity and jobs.**



## WHAT'S HAPPENING

The world needs more investment in renewable energy and energy efficiency projects to combat climate change. The International Energy Agency says an average of \$1.1 trillion in low-carbon investment is needed in clean energy per year. This investment, which Ceres has coined the “Clean Trillion”, is required annually through 2050 to help keep global temperature from rising more than 2°C above pre-industrial levels and avoid the most damaging effects of climate change. Despite the enormous need, only a fraction of this amount is mobilized each year.<sup>1</sup>

There are, however, encouraging signs of progress. In December 2015, at the COP21 (Conference of Parties) United Nations (UN) climate conference in Paris, France, 195 nations reached a universal, binding agreement to take action toward and invest in a low-carbon, resilient and sustainable future.

Many more financial institutions, policymakers and investors must step up to tackle this issue collaboratively. In addition to addressing important societal challenges such as climate change, resilient infrastructure and air and water pollution, environmental finance is a growing and profitable business. This opportunity allows banks like Citi to direct more capital to environmentally positive activities and solutions.



## WHAT CITI IS DOING

Environmental finance is a key pillar of Citi's Sustainable Progress Strategy, and we are creating innovative financial products and solutions that support our clients' needs and help them drive sustainable progress. Capital, collaboration and a long-term commitment are needed to solve problems as far-reaching as climate change. Citi was among the first banks to provide a full range of financing solutions for environmental projects globally. We have promoted sustainability and financed sustainable growth for more than 15 years and will continue to develop innovative, end-to-end solutions to meet our clients' unique financing needs.

### Public-Private Partnerships

Public-private partnerships are increasingly important to achieving our environmental finance goals. Renewable energy projects often cost more upfront than traditional energy projects, yet once built, their operating costs are more modest and there are no fuel costs. We partner with municipal and federal government entities, country- and state-based green banks, nongovernmental organizations (NGOs) and other banks to find the lowest-cost capital available to our clients. We look at multiple forms of financing such as loans, bond deals in the private placement market and initial public offerings to help firms raise money.



## CASE STUDY



### DELIVERING CLEAN POWER TO SOUTHERN CALIFORNIA

Citi provided tax equity and construction lending to affiliates of D. E. Shaw Renewable Investments, L.L.C. (DESRI) and 8minutenergy Renewables for construction of the 150 MW Springbok 2 Solar Farm, located 70 miles north of Los Angeles in Kern County, California. Combined with the 105 MW Springbok 1 Solar Farm that DESRI and 8minutenergy started building in July 2015, the solar facilities are expected to generate enough clean, renewable energy to serve more than 110,300 Los Angeles households. The amount of greenhouse gas emissions avoided will be comparable to removing 71,400 cars from the road. The projects together are expected to create an estimated 600 direct and 800 indirect jobs during construction in Kern County.

<sup>1</sup> [Global Landscape of Climate Finance 2014](#), by B. Buchner, M. Stadelmann, J. Wilkinson, F. Mazza, A. Rosenberg and D. Abramskuehn, Climate Policy Initiative, November 2014.



Increased market activity in environmental finance and the focus of climate issues at the forefront of global convenings such as COP21 have highlighted the importance of business engagement on environmental issues and associated risks and opportunities.

#### **\$100 Billion Environmental Finance Goal**

The flagship goal of Citi's Sustainable Progress Strategy is our \$100 Billion Environmental Finance Goal, a goal to lend, invest and facilitate \$100 billion over 10 years (2014-2023) to activities that reduce climate change impacts and create environmental solutions in collaboration with clients, policymakers, investors, peers and NGO's. This follows our previous goal to direct \$50 billion to climate-friendly projects over 10 years launched in 2007, which we met in 2013, three years early.

Increased market activity in environmental finance and the focus of climate issues at the forefront of global convenings such as COP21 have highlighted the importance of business engagement on environmental issues and associated risks and opportunities. In 2015, our work with our clients reflects this growth, with over \$47 billion in environmental finance activity counting towards the goal.

Examples include renewable energy, green bonds, municipal securities, energy efficiency, green affordable housing and infrastructure improvements. We have also committed to measuring the potential environmental and social impacts of this financing and our inaugural reporting on these impacts can be found on [our website](#). Our clients create significant environmental and social benefits and Citi is proud to support their efforts.

To develop this process, we engaged with the businesses and reviewed transactions that contributed to the goal and collected available nonfinancial data to consider potential impacts. We then identified correlating environmental and social metrics aligned with our Sustainable Progress Strategy's thematic priorities to combat climate change, champion sustainable cities and engage people and communities. Our social impact metrics focus on community benefits and jobs supported by renewable energy financing activities. For our environmental impact metric, we are measuring reduced greenhouse gas (GHG) emissions. By aggregating GHG emissions reductions across many transactions contributing to the environmental finance goal, we are able to quantify the impacts of our financing relative to widely recognized climate change goals such as the Ceres Clean Trillion, and better understand how our clients can contribute to making those goals reality.



#### **CASE STUDY**



#### **LANDMARK WHEEL TRANSACTION FINANCES ENERGY EFFICIENCY**

In June 2015, Citi and Renew Financial closed the first-ever asset-backed security (ABS) transaction comprising unsecured consumer energy efficiency loans. The landmark transaction, in which Renew Financial and Citi issued \$12.58 million in securities, creates a new asset class in the form of ABS backed by pools of residential loans for energy efficiency and water saving improvements. We expect to execute similar transactions in 2016 and over the next several years, firmly establishing a secondary market for these loans to make more capital available to homeowners to fund energy efficiency improvements to their homes. The deal represents the first securitization from the Warehouse for Energy Efficiency Loans (WHEEL), an innovative public-private partnership to create a national financing platform to bring low-cost, large-scale capital to government and utility-sponsored residential energy efficiency loan programs. Through Renew Financial's ReHome loan program, homeowners can borrow up to \$20,000 at very competitive rates to make improvements to their homes such as heating, ventilation and air conditioning (HVAC) equipment, water heaters, roofing, insulation, windows and energy efficient appliances.

Our \$100 Billion Environmental Finance Goal is to lend, invest and facilitate \$100 billion over 10 years (2014-2023) to activities that reduce the impacts of climate change and create environmental solutions.

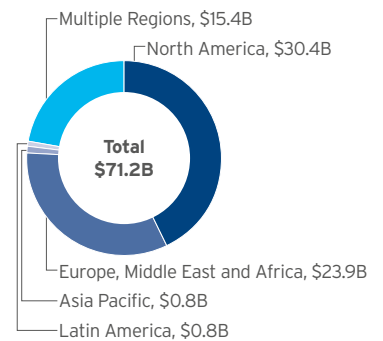


Growing market activity and increased global attention to climate issues have highlighted the importance of business engagement on environmental risks and opportunities. In 2015, our work with our clients reflects this growth, with over \$47 billion in environmental finance activity counting towards the goal.

### Breakdown of Environmental Finance Activities

#### By Region

	2014		2015		Total	
	\$ billions	%	\$ billions	%	\$ billions	%
North America	\$9.5	40%	\$20.9	44%	\$30.4	43%
Europe, Middle East and Africa	\$9.2	39%	\$14.7	31%	\$23.9	33%
Asia Pacific	\$0.7	3%	\$0.1	0%	\$0.8	1%
Latin America	\$0.1	1%	\$0.6	1%	\$0.8	1%
Multiple Regions	\$4.1	17%	\$11.3	24%	\$15.4	22%
<b>Total</b>	<b>\$23.6</b>	<b>100%</b>	<b>\$47.6</b>	<b>100%</b>	<b>\$71.2</b>	<b>100%</b>

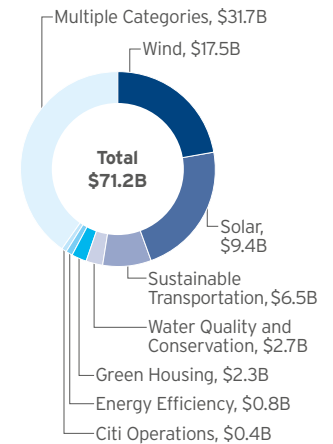


#### By Environmental Category

	2014		2015		Total	
	\$ billions	%	\$ billions	%	\$ billions	%
Wind	\$5.8	25%	\$11.7	25%	\$17.5	25%
Solar	\$3.1	13%	\$6.2	13%	\$9.4	13%
Sustainable Transportation	\$2.3	10%	\$4.2	9%	\$6.5	9%
Water Quality and Conservation	\$0.8	3%	\$1.9	4%	\$2.7	3%
Green Housing	\$0.6	3%	\$1.6	3%	\$2.3	4%
Energy Efficiency	\$0.3	1%	\$0.5	1%	\$0.8	1%
Citi Operations	\$0.2	1%	\$0.2	0%	\$0.4	<1%
Multiple Categories*	\$10.4	44%	\$21.3	45%	\$31.7	45%
<b>Total</b>	<b>\$23.6</b>	<b>100%</b>	<b>\$47.6</b>	<b>100%</b>	<b>\$71.2</b>	<b>100%</b>

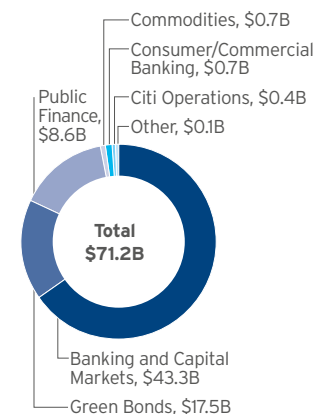
\* Includes transactions such as some green bonds and yieldcos activity that bundled together multiple environmental technologies.

Some figures in the table above have been rounded, therefore minor differences in totals may occur.



#### By Business

	2014		2015		Total	
	\$ billions	%	\$ billions	%	\$ billions	%
Banking and Capital Markets	\$11.5	49%	\$31.8	67%	\$43.3	66%
Green Bonds	\$9.5	40%	\$8.0	17%	\$17.5	17%
Public Finance	\$1.7	7%	\$6.9	14%	\$8.6	15%
Commodities	\$0.2	1%	\$0.5	1%	\$0.7	1%
Consumer/Commercial Banking	\$0.4	2%	\$0.3	1%	\$0.7	1%
Citi Operations	\$0.2	1%	\$0.2	0%	\$0.4	0%
Other	\$0.1	0%	\$0.0	0%	\$0.1	0%
<b>Total</b>	<b>\$23.6</b>	<b>100%</b>	<b>\$47.6</b>	<b>100%</b>	<b>\$71.2</b>	<b>100%</b>





In addition to financial accounting of the \$100 Billion Environmental Finance Goal, we have also committed to report associated environmental and social impacts. In 2014 and 2015, we provided financing that resulted in 3,658 MW of new installed clean energy capacity.

#### \$100 Billion Environmental Finance Goal\*

##### Environmental Impacts

Business	Greenhouse Gases Avoided (mt)		
	2014	2015	Total
Banking and Capital Markets - Alternative Energy Finance			
<i>Project Finance and Tax Equity</i>	3,450,713	2,686,335	6,137,047
Other Banking and Capital Markets	1,995	0	1,995
Public Finance	3,065	5,739	8,804
Commodities	197,485	1,280,366	1,477,851
Other	3,224	4,352	7,576
Consumer/Commercial Banking	3,182	2,981	6,163
Total	3,659,663	3,979,773	7,639,436

Some figures in the tables above have been rounded, therefore minor differences in totals may occur.

##### Social Impacts

	2014	2015	Total
Jobs supported by renewable energy project finance and tax equity activity (includes direct, indirect and induced jobs)	17,269	14,640	31,909
Annual riders on transit system projects	143,739,841	4,075,493,683	4,219,233,524
People serviced by water quality projects	13,914,915	20,863,570	34,778,485
Families serviced by affordable housing activity	3,485	4,498	7,983
Total miles traveled on Citi Bike	13,667,643	18,452,241	32,119,884

For more information on Citi's environmental and social impact methodology, go to [www.citigroup.com/citi/environment/](http://www.citigroup.com/citi/environment/)

\* This data represents estimated environmental and social outputs associated with a subset of our Environmental Finance transactions, for a period of one year. For the jobs supported calculations, these estimates are assumed over the total project life.



## CASE STUDIES



### FINANCING SUSTAINABLE TRANSPORT IN HYDERABAD, INDIA

The Hyderabad Metro Rail Project (Hyderabad Metro) is a 72-kilometer rail network being built along three high-density corridors in Hyderabad City, India. Citi helped the developer raise approximately \$40 million in cost-efficient, long-term, unsecured debt for the project in 2015. The Hyderabad Metro will be the world's largest elevated metro system to be developed in a single phase through a Public Private Partnership. Once operational, it will serve an estimated 1.5 million passengers by 2017. It will connect major office, retail and residential areas with other transit systems, including bus and suburban rail, to make the city more commuter friendly and reduce congestion, carbon emissions, fuel consumption, pollution and commuter travel times.



### EXPANDING USE OF GREEN BONDS GLOBALLY

In 2015, Citi continued to support green bond market growth and helped several clients issue green bonds, including some for the first time, to raise capital for environmentally positive activities. We helped BRF S.A., Brazil's largest food company, raise €500 million in its first green bond issuance. Proceeds will go toward investments in energy efficiency, GHG emissions reduction, renewable energy, water and waste management, sustainable and efficient packaging, sustainable forest management and raw materials use reduction. This is the first green bond to be issued by a Brazilian company and the second in Latin America. Citi also helped IDBI Bank raise \$350 million - the first green bond issuance by a commercial state-owned (or public sector) bank. Proceeds from the bond will provide debt finance to renewable energy projects.



### WHAT'S AHEAD

Renewable energy is becoming mainstream energy. Power companies are developing renewable energy projects to diversify their generation portfolios, decrease their environmental impact and meet societal expectations. Countries, states and communities are adopting it to meet energy needs over the long term. In parts of the developing world, renewables are not replacing traditional energy sources - they are providing reliable energy for the first time. Fossil fuels, big power plants and transmission structures are not always the best solution. Instead, energy is being created through lots of small distributed projects right where people live.

In some ways, banking regulations challenge this new norm. Many startup, alternative energy companies need long-term, fixed-rate capital but often do not meet our lending criteria. We are working to find ways to finance these high-growth firms while meeting regulatory requirements and risk thresholds. We are also looking for ways to help finance distributed generation projects, not just major plants and infrastructure.

Environmental and social issues are creating waves of change across every part of society. These phenomena fit squarely in our mission to enable progress, but requiring Citi and our partners to find new approaches to financing big and small projects to meet communities' and individuals' needs.

To find out more, go to:  
[citi.com/citizenship](http://citi.com/citizenship)



# Environmental and Social Risk Management

Environmental and social progress are crucial to our world, now and for future generations. At Citi, it is not enough to serve clients and monitor our operations; we must make sure that what we finance is responsible as well. As a key pillar of our [Sustainable Progress Strategy](#), our Environmental and Social Risk Management (ESRM) Policy helps us and our clients adhere to high standards.



## WHAT'S HAPPENING

The world is challenged by the present and potential impacts of climate change, resource scarcity, ecosystem degradation and rapid growth and urbanization. These problems endanger well-being, hinder community progress and threaten global prosperity.

The way businesses conduct themselves can significantly affect the sustainability of our global economy, natural resource preservation and human rights protection. As a result, the public is calling for greater transparency and accountability from companies. The realization that environmental and social sustainability is tied to financial sustainability is driving businesses to think differently about the risks associated with their activities. For global companies, varying standards and regulations from one country to another complicate the issue even further; a negative environmental or social incident can erase good intentions and shake public trust.

Citi knows that what we finance can have environmental and social impacts and incorporates these risks into our financing decisions. We helped found the [Equator Principles \(EP\)](#) in 2003, establishing a global environmental and social risk framework for financing projects. In 2003, we also became the first U.S.-based financial institution to introduce a comprehensive Environmental and Social Risk Management (ESRM) Policy, which incorporates the EP requirements, and also covers a wide scope of financial products and sets standards for assessing client impacts on local communities, biodiversity, air quality, water and other environmental and social receptors. We updated and expanded our ESRM Policy in 2012 to cover the Citi Commercial Bank and developed a public [Environmental and Social Policy Framework](#) that provides transparency on Citi's ESRM Policy and other internal environmental and social initiatives.



## WHAT CITI IS DOING

Businesses everywhere are working to meet evolving environmental and societal expectations. Many of our clients' practices are best-in-class, and we share experiences and learn from each other. We work closely with clients to help them meet international standards and mitigate risk. We decline to work with clients who cannot or are unwilling to meet our standards. Importantly, through our [Sustainable Progress Strategy](#), we use our accumulated ESRM knowledge and experience to strengthen client relationships and create value for all stakeholders. Our ongoing actions in this area are described in the next two pages.



**Citi mobilizes and lends billions of dollars of capital for a wide variety of companies and projects, including some that are associated with environmental and social impacts. We conduct portfolio-level reviews of sectors that are important to our business but also fall into the higher-risk category.**

#### **Continuous Policy Improvement**

We evolve our ESRM policies and standards in response to emerging risks and new product development. We partner with others and deepen transaction-specific engagement with our clients to manage risks and identify solutions. We conduct internal training to build our knowledge of and accountability for ESRM and uphold our sustainability standards.

ESRM responsibility is shared across our organization. In addition to our core ESRM team and bankers, we have regional ESRM Champions located in Citi offices around the world. These credit risk officers use their local knowledge and insights to apply our global ESRM Policy in their regions and business lines. They also counsel our bankers on a variety of environmental and social issues and provide training on ESRM Policy and regional ESRM issues. In 2015, we trained 1,335 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.

In keeping with our commitment to continuous policy improvement, in 2015 we developed a new Coal Mining Standard that requires more in depth due diligence of all coal mining client relationships and commits to reduce credit exposure to these companies over time. The policy applies to coal mining companies globally, including those using mountaintop removal methods.

#### **Portfolio-Level Analysis of Environmental and Social Risks**

Citi mobilizes and lends billions of dollars of capital for a wide variety of companies and projects, including some that are associated with environmental and social impacts. We conduct portfolio-level reviews of sectors that are important to our business but also fall into the higher-risk category. These analyses help us identify emerging risks and decide how to evaluate future transactions. They also uncover opportunities for us to advise clients on solutions to thematic risks.

In 2015, one of our ESRM portfolio reviews focused on our mining portfolio. We identified and evaluated environmental and social risks with potential material financial impact using third-party data and internal research. Companies were scored based on their relative ability to cope with stress in different categories. For example, in the greenhouse gas (GHG) emissions category, we evaluated mining clients' ability to cope with tighter carbon emissions regimes in the near to medium term. Clients who have adopted more renewable technologies (to power mining operations) and therefore decreased their carbon intensity are better positioned to manage the evolving global GHG emissions regulatory regime than peers who have not. We used this approach to assess other environmental and social risk categories such as wastewater and hazardous waste management. In 2016, we will review environmental and social risks in other industries and adapt the categories to those most financially relevant to each sector.

#### **Emerging Risk Monitoring**

ESRM improved its ability to proactively scan for emerging risks in 2015 by developing the Environmental and Social Risk Radar, a method that identifies and quantifies environmental and social concerns. The Radar tracks trends in environmental and social content in a number of sources, including: media outlets, third-party data providers, internet searches, and financial industry-targeted civil society reports, among other sources. We perform this review in order to flag emerging issues that indicate increasing risk and/or global attention. This method allows us to fine tune our risk management efforts, raise awareness throughout the firm on new issue areas and provide valuable advice to our clients on increasing issues of concern.

#### **Building Global Capacity and Consistency**

We have collaborated with clients, peers and regulators to build ESRM awareness and capacity since we co-founded the Equator Principles in 2003. This allows us to maintain a level playing field with our competitors and raise the standard of environmental and social performance across our client base, geographies where we operate and the industry as a whole. For example, our partnership with the Natural Capital Declaration (NCD), established in 2015, commits Citi to work with other industry leaders, including financial institutions, to understand the impacts and dependencies of business on natural capital, support development of methodologies that integrate natural capital considerations into decision making, work toward a global consensus for integrating natural capital into private sector accounting, and collaborate with thought leaders and stakeholders to advance the field of natural capital valuation.

Also in 2015, we took a leadership role by serving as the vice chair of an NCD project to incorporate valuation tools into drought scenarios to identify key industries impacted by drought. This project is ongoing through 2016.



## CASE STUDY



### MITIGATING HUMAN RIGHTS RISKS IN MINING

In 2015, Citi evaluated a junior African mining company seeking a loan for general corporate purposes and potential acquisitions of new assets. Our ESRM team worked with our regional bankers to ensure the client had an adequate environmental and social risk management framework. We determined that human rights risks related to resettlement, security, and artisanal mining communities would require closer attention in the event of future acquisitions and adapted our credit agreement to include language that acquisitions of new assets must adhere to the Equator Principles and IFC Performance Standards. The loan was approved and closed. Once the company identified an acquisition target, they hired experts to help them comply with lenders' standards, including the development of a Stakeholder Engagement Plan, which looked at community needs and included a specific strategy for artisanal mining communities, and a plan for implementing the UN Voluntary Principles on Security and Human Rights. Our early engagement proved essential to helping our client mitigate environmental and social risks in their operations.

**Citi will continue to apply our ESRM Policy and increase our due diligence on projects that present risks to people, communities and the planet.**

### Transaction ESRM Reviews

The ESRM team reviews client transactions subject to our ESRM Policy and categorizes them A, B, C or GR (general review), based on the magnitude of potential adverse social and environmental impacts. Higher-risk transactions require in-depth reviews against international best practices by independent environmental and social consultants. If gaps are found between a client's environmental and social plans, policies or practices and industry best practice, we develop an Environmental and Social Action Plan to fill the gaps over time, and make completion of the plan a condition of financing.

Our ESRM Policy defines the standards we require clients to meet to receive Citi financing, and our due diligence refines our approach to specific transactions and sectors. Clients increasingly see the value of including these considerations in their planning from the earliest stages.

### Areas of High Caution and Special Focus

Some transactions present elevated franchise risk to Citi due to very sensitive environmental or social impacts, and we only proceed with these after thorough and judicious assessments. These "Areas of High Caution" include critical habitat, areas of high conservation value and significant cultural heritage; Indigenous Peoples; large-scale resettlement; and conflict risk. Our ESRM Policy prohibits financing transactions involving illegal logging, forced labor and harmful child labor. Our responsibilities include respect for human rights in our own activities and in client transactions. For more information about how Citi approaches human rights, download our [Human Rights Fact sheet](#).



### WHAT'S AHEAD

Environmental and social standards and laws around the world are uneven, especially in emerging markets. A proliferation of environmental regulations, pressure from bank regulators to evaluate clients' environmental activities, and shifting societal expectations will continue to present new and evolving challenges. In countries without effective resource governance, development can trigger disputes over land, reduce access to natural resources such as water, and threaten livelihoods in adjacent communities.

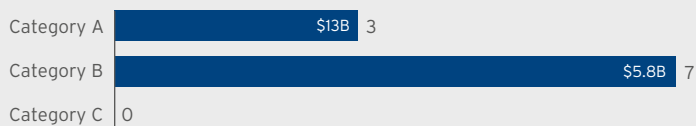
Citi will continue to apply our ESRM Policy and conduct robust due diligence on projects that present risks to people, communities and the planet. Our processes for identifying risks are strong, and we have committed resources to help our clients comply with standards to ensure responsible development.

To find out more, go to:  
[citi.com/citizenship](http://citi.com/citizenship)

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

## 2015 PROJECTS COVERED BY EQUATOR PRINCIPLES

### Funded Project Finance Loans



\* We had no EP-covered Project Finance Advisories and no EP-covered Bridge Loans in 2015.

### Funded Project Finance Loans Breakdown

By Sector	A	B	C	Total
Oil and Gas	2	2	0	4
Infrastructure	1	1	0	2
Power*	0	4	0	4

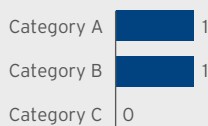
\*(2 wind, 1 solar, 1 gas)

By Region	A	B	C	Total
US and Canada	0	5	0	5
Latin America	2	2	0	4
Europe	0	0	0	0
Middle East and Africa	1	0	0	1
Asia and Oceania	0	0	0	0

By Country Designation	A	B	C	Total
Designated	0	5	0	5
Non-Designated	3	2	0	5

By Independent Review	A	B	C	Total
Yes	3	7	0	10
No	0	0	0	0

### Funded Project-Related Corporate Loans



### Funded Project-Related Corporate Loans Breakdown

By Sector	A	B	C	Total
Manufacturing	1	0	0	1
Oil and Gas	0	1	0	1

By Region	A	B	C	Total
US and Canada	0	0	0	0
Latin America	0	1	0	1
Europe	0	0	0	0
Middle East and Africa	1	0	0	1
Asia and Oceania	0	0	0	0

By Country Designation	A	B	C	Total
Designated	0	0	0	0
Non-Designated	1	1	0	2

By Independent Review	A	B	C	Total
Yes	1	1	0	2
No	0	0	0	0

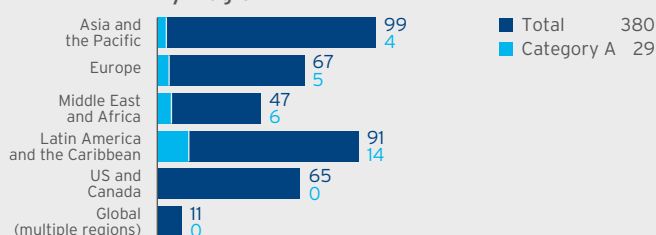
Citi received external assurance of our Equator Principles data from SGS. For our SGS Assurance Statement, download our [assurance letters](#).



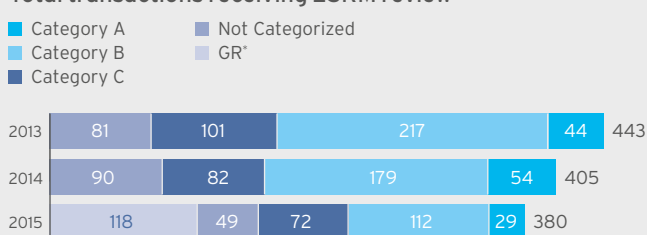
Our processes for identifying risks are strong and we have committed resources to help our clients comply with standards to ensure responsible development can continue.

## TRANSACTIONS RECEIVING ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT (ESRM) REVIEW

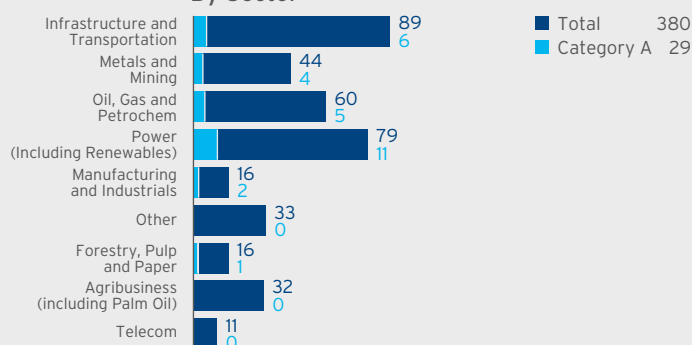
### By Region



### Total transactions receiving ESRM review



### By Sector

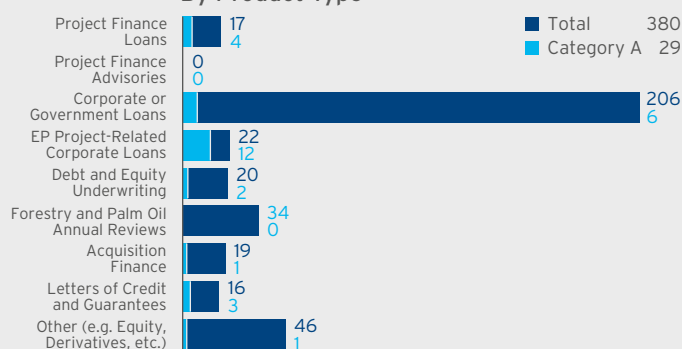


In 2015, we had one power sector project finance transaction for a natural gas fired plant. We report the percentage of lifetime emissions equivalent to the percentage of total project costs financed by Citi.

### Lifetime thermal power plant project financed emissions (mmtCO<sub>2</sub>)

Reporting Year	30-year plant life	60-year plant life
2013	9.7 mmtCO <sub>2</sub>	19.4 mmtCO <sub>2</sub>
2014	0	0
2015	9.6 mmtCO <sub>2</sub>	19.2 mmtCO <sub>2</sub>

### By Product Type



### ESRM Employee Training

Year	# of Employees Trained in Citi's ESRM Policy
2011	168
2012	447
2013	504
2014	916
2015	1,335

\* In 2015, we updated the ESRM policy to include a new General Review (GR) category, which covers corporate level transactions, such as forestry and palm oil annual reviews, transactions below ESRM Standard financial thresholds, and general corporate purposes transactions. Citi received external assurance of our ESRM data from SGS. For our SGS Assurance Statement, download our [assurance letters](#).



# Operations and Supply Chain

Our global footprint and supply chain impact the environment and the communities where we work. We continually look for ways to reduce these impacts, lower costs and minimize risks to the environment and society that come from our operations and supply chain partners. These actions are core to our Sustainable Progress Strategy.



## WHAT'S HAPPENING

### Operations

Many regard climate change as the most urgent challenge of our time. The United Nations (UN) Intergovernmental Panel on Climate Change (IPCC) says a global temperature increase of 2°C is the tipping point for irreparable damage to society. Moreover, demonstrating even greater ambition, in the December 2015 Paris Agreement nations agreed to an aspirational goal to minimize this increase to 1.5°C. To stay below a 2° threshold, greenhouse gas (GHG) emissions need to be drastically reduced.<sup>2</sup> All companies, financial institutions included, share the responsibility to make operational changes to meet these ambitious goals.

Citi has responded by managing its environmental footprint, developing science-based goals and looking towards the future on trends in the built environment.

### Supply Chain

Banks' supply chains may not be as complex as in other industries, but their sustainability impact is important. Business for Social Responsibility (BSR) studied supply chain issues for financial institutions and found the greatest risks and opportunities in GHG emissions, human rights, data security and privacy, conflict minerals, e-waste and security for branch offices and transporting money.<sup>3</sup>

We started evaluating our supply chain sustainability in 2009, with the development and release of our Statement of Supplier Principles outlining the ethical, human rights and environmental standards we expect. We continue to build on this foundation and communicate to suppliers how important these issues are to us and the world, and seek out suppliers who share our values.



## CASE STUDY



### CITI RUNS ON SOLAR ENERGY IN INDIA

Furthering our commitment to environmental sustainability, we recently installed 50-kilowatt solar panels on Citi India's Club House Road office in Chennai. A total of 168 photovoltaic solar panels - which convert solar energy directly into electricity - were installed in the fourth quarter of 2015. The clean energy units are expected to generate a minimum of 60,000 kilowatt-hour in energy annually. This eliminates 55 tons of carbon dioxide emissions per year.

<sup>2</sup> IPCC Infographic Series, World Resources Institute, March 2016.

<sup>3</sup> Supply Chain Sustainability in the Financial Sector, Business for Social Responsibility, August 2015.

# We play a direct role in combating climate change by reducing our GHG emissions and consumption of scarce resources.



## WHAT CITI IS DOING

### Operations

With approximately 12,000 owned and leased facilities worldwide, we recognize that our global footprint impacts the environment. We play a direct role in combating climate change by reducing our GHG emissions and consumption of scarce resources. Citi began reporting on our direct environmental impacts related to energy, water and waste in 2002. In 2006, we set our first GHG emissions goal to reduce GHG emissions by 10 percent from 2005 levels by the year 2011. We expanded these goals in 2010 to include reductions in energy use, waste to landfill and water use, and a commitment to more green building.

### 2015 Goals

In 2010, Citi set ambitious goals to reduce our operational impacts on the environment. These addressed GHG emissions, energy, water use, waste and green building. We publicly pledged to reduce by the end of 2015, from a 2005 baseline:

- GHG emissions by 25 percent
- Energy by 20 percent
- Water by 20 percent
- Waste to landfill by 40 percent

We also committed to LEED certify 15 percent of our global portfolio of facilities.

In 2013, we met two of our goals early. We reduced our GHG emissions by 25 percent with the help of renewable energy credits and diverted more than 40 percent of our waste stream from landfill. We decided to continue challenging ourselves and announced new "stretch" goals in these categories to reduce absolute GHG emissions by 25 percent and divert another 9 percent of waste from landfill.

We are proud to report we have met or exceeded all of our 2015 goals. We have:

- Reduced absolute Scope 1 and Scope 2 GHG emissions by 25 percent
- Reduced energy use by more than 22 percent
- Reduced water use by more than 22 percent
- Diverted more than 58 percent of waste from landfill
- Obtained LEED certification for more than 16 percent of our portfolio

To meet these goals, we analyzed what we control in our operations and created a strategic approach to reductions. Citi's Corporate Realty Services (CRS) unit ensured its initiatives aligned with our overall mission to enable growth and progress and that they made good business sense.

We took a three-pronged approach to managing our resources:

- Efficient use of our facilities portfolio
- Operational site efficiencies
- Capital improvements

By balancing these three aspects, we created a dynamic model and forecasted different outcomes to ensure we managed our resources to meet our 2015 commitments. We will use this approach to achieve our next set of goals for 2020.



## CASE STUDY



### CITI TOKYO FACILITY EARNS TOP LEED CERTIFICATION

The U.S. Green Building Council (USGBC) awarded Citi's Shinjuku Eastside Square (SES) facility in Tokyo, Japan, a LEED Platinum certification, the highest of their internationally recognized standards. The prestigious rating is another example of our commitment to green building and sustainability. Minimizing our environmental impact not only contributes to operational efficiency, but also supports employee well-being. SES is our first office project with a fully functioning Citi Works environment. Citi Works is a new workplace design strategy that incorporates a range of work settings and technology to support our more active and connected work styles, delivering a progressive and engaging environment to Citi employees. This further supports our sustainability goal by having more than 60 percent of employees use low-energy, agile technology and promoting recycling by eliminating personal rubbish bins at each desk.



## Our science-based goals call for reducing GHG emissions by 35 percent by 2020 and 80 percent by 2050.

### 2020 Goals and Beyond

In 2015, we announced our third generation of environmental footprint goals for 2020 and 2050. To determine the appropriate level of GHG reductions, we used a science-based approach to absolute reductions to support the United Nations' 2° C threshold for a climate tipping point. Our goals call for reducing GHG emissions by 35 percent by 2020 and 80 percent by 2050. To achieve our ambitious 2050 goal, we will set absolute GHG goals in five-year increments and track annual performance.

Overall, our 2020 goals call for:

- 35 percent reduction in GHG emissions
- 30 percent reduction in energy use
- 30 percent reduction in water use
- 10 percent of water coming from reclaimed or recycled sources
- 60 percent reduction in waste to landfill
- One-third of our facilities LEED-certified

### Reporting

We believe it is important to communicate our operational sustainability work to share what we learn and learn from others. We have submitted a response to the Carbon Disclosure Project (CDP) every year since 2003. We follow the new GHG Protocol Scope 2 Guidance for measuring and reporting both market-based and location-based Scope 2 GHG emissions, and we also report on Scope 3 CO<sub>2</sub> emissions from employee air and train travel and project-financed thermal power plants.

### Employee Engagement

Actively engaging Citi employees is critical to achieving our environmental sustainability objectives. We partner with employees to make our facilities and communities more climate-friendly through everyday work practices, volunteer-led "Green Teams" and environmental events such as Earth Week and Earth Hour.

Through our Green Teams, employees design and lead positive environmental initiatives tailored to their workplaces and local communities. These forums provide opportunities for sustainability-minded employees to enhance their professional and personal development and help Citi reduce its environmental footprint through events like recycling drives, volunteer projects, informative lectures and awareness campaigns. We have 25 Green Teams with approximately 2,000 members operating in cities around the world, from Mississauga, Canada, to Johannesburg, South Africa.

Green Teams also serve as ambassadors for Citi Earth Week, an annual campaign of environmental and sustainability events to support the globally recognized Earth Day. In 2015, Citi employees led 128 events in 12 countries and 38 cities. In Manila, Philippines, employees donated 60 refurbished computers to three community partners and provided basic computer training to local residents. The Buffalo, New York, Green Team recycled 12,491 glass bottles and cans, redeeming and donating the proceeds to a local animal sanctuary.



### CASE STUDY



### ALTERNATIVE FUNDING SAVES ENERGY AND CAPITAL

Data centers are our most energy-intensive facilities, accounting for about 25 percent of our overall electricity usage. In a first-of-its kind project, we developed an innovative measure to cut energy use by 10 percent at our United Kingdom data center. Two Citi teams, Corporate Realty Services and the Asset Finance Group, collaborated to demonstrate how a third-party's equity investment can address internal capital constraints and show the viability of a financial product that Citi can now offer to clients. The project is funded through an energy services agreement that treats host payments as operating cost rather than capital expenditure, which reduces expenses, thus requiring no upfront investment from Citi.

**In 2015, we identified three priority areas in our supply chain where we will manage and measure progress as part of our Sustainable Progress Strategy: paper and paper products, information technology (IT) hardware and e-waste disposal, and travel and logistics.**

#### **Supply Chain**

We believe our suppliers should share our values and meet our high environmental and social performance standards, and we are working toward integrating sustainability into all aspects of our supplier selection processes. Our Enterprise Supply Chain (ESC) team not only works with our business units to support the end-to-end supplier life-cycle process from supplier bidding and selection to contracting and payment, but also collaborates with them to implement sustainable supplier initiatives and mitigate supply chain risks, including human rights and environmental risks. Partnering with suppliers is critical to enabling progress, meeting our larger sustainability goals, protecting human rights and managing our expenses. Our sustainable supply chain goals focus on sourcing and supplier engagement.

#### **Sourcing**

In 2015, we identified three priority areas in our supply chain where we will manage and measure progress as part of our Sustainable Progress Strategy: paper and paper products, information technology (IT) hardware and e-waste disposal, and travel and logistics. We drafted white papers to brief employees in our ESC organization and key business units on the issues, and introduced a framework for evaluating the three areas. We wrote a position statement incorporating the white papers to align with our procedures and initiatives on supplier standards and principles. As an important step, the statement will be included in the Global Operating Procedures, which provide guidance on ESC's supply chain processes and support compliance and risk reduction, in 2016.



#### **CASE STUDIES**



##### **IMPROVING OUR SUPPLY CHAIN IN MEXICO THROUGH THE CRQ**

Banamex, our Mexico subsidiary, piloted Citi's growing Corporate Responsibility Questionnaire (CRQ) program. In 2013, Banamex rolled out the CRQ to our top 100 suppliers in Mexico and, in doing so, created the template for the questionnaire's global circulation. In 2014, Banamex repeated the roll out to top suppliers and achieved a 60 percent response rate. To continue building on this level of response, as of August 2015, our Enterprise Supply Chain organization in Mexico includes the CRQ in all new electronic requests for proposals and quotations. As a result, 146 suppliers have been invited to participate in 24 electronic bids requiring the CRQ. Scores below 70 will be flagged for review, and in 2016 we will conduct feedback meetings with suppliers who previously scored in the lower percentiles as part of our effort to help companies improve their ESG performance and resulting CRQ scores. Suppliers who fail to improve their scores or to make immediate corrections will be reassessed as part of a third party management review and governance process.

##### **RECOGNIZING SUSTAINABLE AND DIVERSE SUPPLIERS**

In 2015, our Supplier Relationship Management team designed a process to identify suppliers who excelled in areas of innovation, collaboration, supplier diversity and sustainability. We invited suppliers to provide documentation of their efforts and looked for those who showed that these values were a part of their day-to-day business considerations. A group of internal and external judges reviewed and voted on the submissions, and recognized winners with awards in April 2016.

## Our Supply Chain Development, Inclusion and Sustainability Program gives women and minority-owned firms access to business opportunities, education, mentoring and training.

### Supplier Engagement

We cannot achieve our environmental and social goals without increasing supplier engagement. We have a Statement of Supplier Principles, which we share with suppliers. We engage suppliers with our Corporate Responsibility Questionnaire (CRQ), a tool we use to assess how well current and potential suppliers manage governance, environmental sustainability and supplier diversity, and to identify gaps in priority sectors and geographies. In 2015, we piloted the CRQ in Malaysia and Australia in our Asia Pacific (APAC) region and in Ireland in our Europe, Middle East and Africa (EMEA) region, and 75 suppliers completed it. As of August 2015, the CRQ became a mandatory part of all electronic requests for proposals or quotations in North America and Latin America, and was completed by over 600 suppliers in those regions.

The CRQ is an example of how employees throughout Citi share accountability for good citizenship. If a supplier's CRQ score is low, we communicate our concerns to the supplier and our regional sourcing manager. We give suppliers our feedback and a year to work together to improve, then rely on our managers to make the right decisions for their business units and for Citi. To ensure a consistent approach and understanding of the CRQ process and supplier evaluation, we developed training materials for employees. We also provide sustainability training and education to suppliers.

### Supplier Diversity

We feel the same about diversity among our thousands of suppliers as we do our employees and clients: it is imperative to innovation and efficiency. Our Supply Chain Development, Inclusion and Sustainability Program gives women and minority-owned firms access to business opportunities, education, mentoring and training. Citi's Enterprise Supply Chain organization sets clear supplier diversity goals and embeds them in our supplier selection processes.

We work through our Sourcing Category Champions network to find opportunities in our supply chain for small and diverse supplier inclusion. We leverage our relationships with Supplier Connection, the National Minority Supplier Development Council and Women's Business Enterprise National Council to identify small and diverse suppliers who can potentially meet our supply chain needs and help build these suppliers' capacity. We partner with organizations such as the New York City Small Business Services Corporate Alliance Program to provide training on topics such as subcontracting, sustainability best practices for suppliers and access to capital.

These efforts help ensure our supplier base mirrors the diversity of our customer base and communities. Our diverse spend for 2015 totaled over \$700 million, with more than \$400 million in Tier One spend with direct suppliers. Champions in each category review the potential line of sight and business opportunities for suppliers both locally and globally on a monthly basis. We ensure diverse firms are part of our day-to-day supplier selection process, even as we reduce our number of suppliers to improve supply chain efficiencies and reduce costs.

### Human Rights

We support human rights in our supply chain and work with suppliers who share our values. We expect our suppliers to abide by the Citi Statement on Human Rights, which outlines our standards for freely chosen employment, child labor avoidance, working hours, respect in the workplace, wages and benefits, and health and safety. The Citi Statement of Supplier Principles also highlights our strong commitment to human rights in our supply chain. For more information on human rights, download our [Human Rights Fact sheet](#).



Partnering with suppliers is critical to enabling progress, meeting our larger sustainability goals, protecting human rights and managing our expenses.



#### WHAT'S AHEAD

##### Operations

We work hard to improve the environmental impact of our operations and will continue to do so moving forward. However, what was once considered “cutting edge” has become “license to operate”. Realizing this space is ripe for innovation, we have started an initiative to approach sustainability more holistically to include the built environment and its effect on human capital. After extensive research, our team has identified what we believe are future sustainability trends in the built environment:

- How sustainable design can impact employee health and wellness.
- How a sustainable environment can foster employee engagement and facilitate interaction.
- Incorporating biophilic design elements into the built environment.

These trends will influence how we approach operational sustainability by expanding the scope from focusing on impacts to sustainably engaging our workforce.

##### Supply Chain

Dialogue is critical as we communicate our expectations and implement our supply chain strategy and policies around the world. There are thousands of links in our supply chain, and what works in one country will not necessarily work in another. We are adapting our approach to our suppliers' local cultures and business norms and communicating in ways that make sense in each region. We rely heavily on feedback from our regional champions to make sure we get it right.

We continue to test and refine our CRQ by gathering feedback from suppliers and making sure our scorecard is sound. Through the Global Supply Chain Sustainability Operation Procedure published in Q1 2016, our main objective for 2016 is to increase the CRQ global response rate through proper language, training and increased regional champion engagement. We will continue rolling out the CRQ in APAC and EMEA to expand our global reach.

Internal communications are equally important. We need all of our supply chain employees to understand our goals and their roles in achieving them. We highlighted sustainability as a key objective for members of our Global Champions' Network and they each have a specific environmental, human rights or other sustainability goal to focus on.

To find out more, go to:

[citi.com/citizenship](http://citi.com/citizenship)



#### CASE STUDY



##### OPPORTUNITY GROWS IN A ROOF GARDEN

When the roof of the Citi Center building in São Paulo, Brazil, needed to have its 25-year-old waterproof coating replaced, CRS saw an opportunity. We replaced the waterproofing membranes with a 400-square-meter roof garden housing nearly 80 endangered species of Atlantic Forest native vegetation from Brazil. The garden reduces the heat captured by the roof, therefore lowering the energy required for cooling and water evaporation from the cooling towers. This green roof integrates biophilic design principles, which we believe helps reduce environmental impacts and could benefit employee well-being and productivity.

## We are proud to report we have met or exceeded all of our 2015 environmental footprint goals.

### PROGRESS ON OUR GOALS

#### Progress Against 2015 Goals

From a 2005 Baseline	Achieved
25% reduction in absolute Scope 1 and Scope 2 GHG emissions	25.0%*
20% reduction in energy consumption	22.2%
40% diversion in waste stream to landfill	58.1%
20% reduction in water consumption	22.1%
15% of global real estate portfolio LEED certified	16.2%

\* 32.0% if considering offsets.

#### Regional Operational Environmental Performance

Region	GHG Emissions (mt) Location based	GHG Emissions (mt) Market based	Total Energy Consumption (GWh)	Total Water Consumption (m³)	Total Waste (mt)
North America	387,854	350,483	903	2,811,882	23,010
Latin America	138,595	126,729	361	1,386,248	12,790
Asia Pacific	205,044	195,074	320	871,519	8,793
Europe, Middle East and Africa	105,865	73,966	235	453,227	5,396

#### GHG Emissions (Scope 1 and 2) by Region in 2015\* \*\*

Region	Scope 1 CO <sub>2</sub> e	Scope 2 CO <sub>2</sub> e (Location based)	Scope 2 CO <sub>2</sub> e (Market based)	Total CO <sub>2</sub> e (Location based)	Total CO <sub>2</sub> e (Market based)
North America	16,780	371,073	333,702	387,854	350,483
Latin America	2,320	136,275	124,408	138,595	126,729
Asia Pacific	1,962	203,082	193,112	205,044	195,074
Europe, Middle East and Africa	5,490	100,375	68,476	105,865	73,966

\* The Scope 2 Quality Criteria have been met for the instruments used in the calculation.

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

#### LEED Certified Buildings by Region\*

Region	Certified	Silver	Gold	Platinum	Total
North America	33	27	55	2	117
Latin America	3	2	3	0	8
Asia Pacific	5	7	28	8	48
Europe, Middle East and Africa	1	5	12	6	24
<b>Total</b>	<b>42</b>	<b>41</b>	<b>98</b>	<b>16</b>	<b>197</b>

#### LEED Certified Buildings by Building Type\*

Building type	2010	2011	2012	2013	2014	2015
Data Centers	0	0	0	1	0	0
DC File Storage	0	0	0	0	0	0
Office Buildings	4	14	10	14	14	16
Operational Centers	2	0	2	0	3	1
Branches	7	9	23	1	24	11
<b>Total</b>	<b>13</b>	<b>23</b>	<b>35</b>	<b>16</b>	<b>41</b>	<b>28</b>
<b>Cumulative Total</b>	<b>54</b>	<b>77</b>	<b>112</b>	<b>128</b>	<b>169</b>	<b>197</b>

\* Based on Active Buildings in the Portfolio as of year end 2015, and excludes projects for Inactive and Disposed Buildings.

#### Electricity Consumption Amounts Applied to Market-Based Emission Factor Types

Emissions Factor Basis	2015 Electricity Consumption (kWh)				Percent of Total Consumption
	Electricity	Steam	Chilled Water	Total	
RECs or Other Energy Attribute Certificate	100,000,000	0	0	100,000,000	6%
PPA or Source Contract	41,041,562	0	0	41,041,562	2%
Supplier Specific	201,354,797	21,800,082	9,946,350	233,101,229	14%
Steam Default	0	6,046,552	0	6,046,552	0%
Residual Mix	58,391,653	0	8,011	58,399,665	4%
Grid Average	1,251,903,029	0	9,700,213	1,261,603,242	74%
<b>Total</b>	<b>1,652,691,042</b>	<b>27,846,634</b>	<b>19,654,574</b>	<b>1,700,192,251</b>	<b>100%</b>

With approximately 12,000 owned and leased facilities worldwide, we recognize our global footprint impacts the environment. We play a direct role in combating climate change by reducing our GHG emissions and consumption of scarce resources.

## ENVIRONMENTAL IMPACT REPORT

	2005	2010	2011	2012	2013	2014	2015
Rentable Sq. Ft. (RSF)	71,707,566	65,938,428	64,353,202	63,011,327	59,271,207	56,313,085	54,043,708
Headcount	343,330	349,005	356,547	315,669	240,339	230,929	231,100

## ABSOLUTE INDICATORS

ENERGY							
Electricity (GWh)	2,050	2,006	1,963	1,920	1,813	1,728	1,653
District Heating (Steam and Chilled Water)	84	72	58	59	55	52	48
Energy Purchased (GWh) - Scope 2	2,133	2,078	2,021	1,979	1,868	1,779	1,700
Natural Gas (GWh)	157	129	119	91	95	91	83
Fuel Oil (GWh)	49	49	40	55	41	36	36
Energy Consumed (GWh) - Scope 1	207	178	159	146	136	127	120
Total Energy (GWh)	2,340	2,256	2,180	2,125	2,004	1,906	1,820

## CO<sub>2</sub>e EMISSIONS

Direct CO <sub>2</sub> e (GHG Scope 1) (Gas and Fuel Oil)	44,778	39,120	34,703	33,055	30,197	28,100	26,553
Indirect CO <sub>2</sub> e (GHG Scope 2) (Electricity, Steam and Chilled Water)	1,071,975	988,993	961,010	926,693	882,513	848,581	810,806
Total CO <sub>2</sub> e (mt)	1,116,752	1,028,113	995,713	959,749	912,710	876,681	837,358
Green Power Offsets (CO <sub>2</sub> e)	5,953	42,084	56,882	98,450	101,642	96,038	77,909
Net CO <sub>2</sub> e (mt)	1,110,799	986,029	938,831	861,299	811,068	780,642	759,450

## WATER AND WASTE

Total Water Consumption (m³)	7,088,968	6,482,936	6,479,907	6,719,056	6,369,262	5,717,184	5,522,877
Recycled Office Paper (mt)	6,180	17,285	17,493	14,072	16,830	16,615	15,123
Refuse and Other (mt)	61,922	46,506	43,123	40,009	37,467	36,087	34,865
Total Waste (mt)	68,103	63,790	60,616	54,081	54,297	52,702	49,988

## RELATIVE INDICATORS

TOTAL ENERGY CONSUMED							
KWh/RSF	32.63	34.21	33.88	33.72	33.82	33.85	33.67
KWh/Headcount	6,816	6,463	6,114	6,730	8,339	8,255	7,874
NET CO <sub>2</sub> e							
Metric Tons/RSF	0.0156	0.0156	0.0155	0.0152	0.0154	0.0156	0.0155
Metric Tons/Headcount	3.25	2.95	2.79	3.04	3.80	3.80	3.62

## SCOPE 3 EMISSIONS

Business Air Travel CO <sub>2</sub> e (mt)	NA	100,243	119,179	123,302	150,967	178,694	109,687
Business Train Travel CO <sub>2</sub> e (mt)	NA	NA	NA	NA	5,335	6,651	1,605

## THERMAL POWER PLANT EMISSIONS

30-year Plant Life CO <sub>2</sub>	NA	0	7.4	0	9.7	0	9.6
60-year Plant Life CO <sub>2</sub>	NA	0	14.8	0	19.4	0	19.2





# Diversity

**Diversity is an essential part of Citi. When our workforce is as diverse as the clients, communities and world we serve, we are a more vibrant, innovative and high-performing bank and a better place to work.**



## WHAT'S HAPPENING

### Why Diversity Matters

A diverse, inclusive workplace allows everyone to bring their full selves to work, regardless of backgrounds or characteristics. Diversity has also proven to be a strong business advantage. Research shows companies in the top quartile for gender or racial/ethnic diversity are more likely to have higher financial returns than their national industry medians. The reverse is true for the performance of companies in the bottom quartile.<sup>1</sup>

Why the difference? Diverse teams challenge each other more, contribute broader perspectives and experiences leading to more innovative solutions, and keep companies in touch with increasingly diverse consumers. Diverse employees encourage more inclusive workplaces that are sensitive to their needs and make them feel valued and respected, thus increasing retention and satisfaction. Research also suggests companies with diverse, inclusive workforces are more attractive to clients and suppliers.

Our experience confirms these findings, which is why we have structured programs to foster and advance our diverse and inclusive culture. We are a global company and welcome people of every cultural background, gender, race/ethnicity, generation, sexual orientation, gender identity or expression, among other characteristics, military veterans, and people with disabilities. We strive to treat all employees fairly and with respect, give them opportunities to grow and succeed, and hold them accountable for upholding our standards of excellence.

### The Challenge

Achieving workforce diversity requires ongoing focus and consideration of local norms. In some countries, cultural and social values differ and we balance respect for local customs, values and legislation with our views on diversity as business and social imperatives. We work with our human resources team, employee networks and diversity councils in each community to promote our diversity programs. We also partner with local organizations to advance human rights.

We know more needs to be done. Like many global companies, we grapple with diversity hurdles created by varying business practices and inconsistent levels of awareness of the importance of diversity. We are proud of our progress and determined to keep pressing forward for positive change.



## 2015 HIGHLIGHTS

We have

**121 employee networks**

with 15,000 members in 30 countries and 56 locations

**Women comprise 24%**

of our senior managers globally

**Minorities comprise 26%**

of our senior managers in the United States

We achieved an all-time high of

**81% on our Diversity Index**

in our annual Voice of the Employee Survey

We spent

**\$783 million**

with diverse suppliers

<sup>1</sup> "Why diversity matters", by V. Hunt, D. Layton and S. Prince, McKinsey & Company, January 2015.

**“As a global company that operates in more than 100 countries, it’s absolutely essential that our employee base reflects the populations we serve. I also think a diverse workforce encourages a range of perspectives and experiences that enable us to generate fresh ideas, innovative solutions and meaningful partnerships. A diverse workforce drives diverse thought – the more diverse we make our thinking, the better the outcomes.”**

Don Callahan, Global Head of Operations and Technology and Chairman, Global Employee Network Program



**WHAT CITI IS DOING**

**Managing Diversity at Citi**

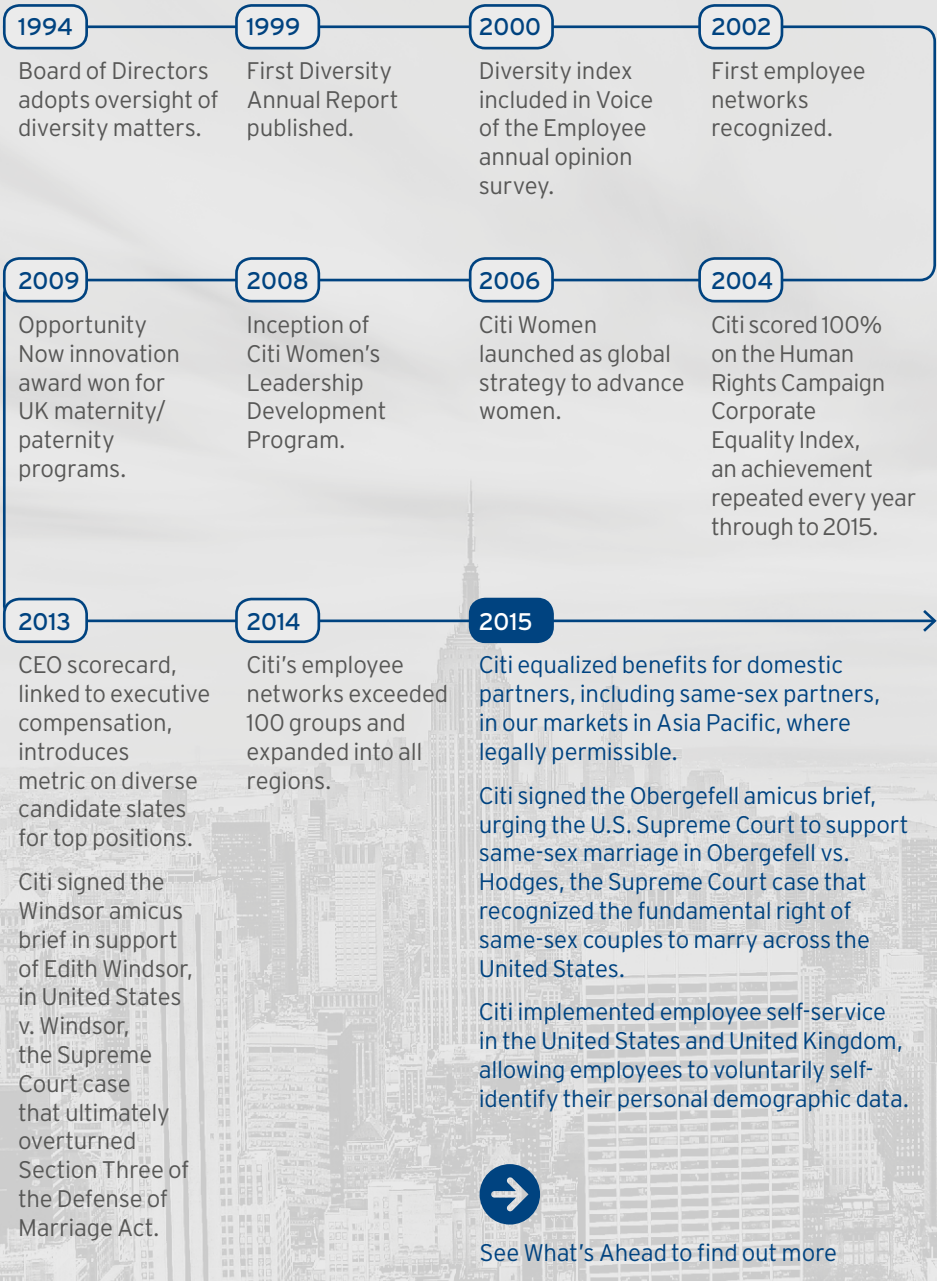
We want all Citi employees to thrive as members of a diverse, inclusive workplace. We want them to feel confident about their opportunities for growth and development throughout their time with our company and be an employer of choice for top talent. Our approach helps us accomplish these goals in the more than 100 countries where we operate.

Our Global Diversity Office sets our policies, practices and priorities. Our Diversity Operating Committee, made up of senior diversity human resources leaders, ensures our programs and policies advance our culture and inclusion goals. Diversity councils and senior executive champions communicate and live our diversity values and standards across the company. Our Board of Directors reviews our progress and priorities annually.

**“Maintaining, cultivating, and preserving a diverse and inclusive culture is paramount for us. We know that diversity of thought, backgrounds and perspectives produce better outcomes for our clients and customers.”**

Michael L. Corbat,  
Chief Executive Officer,  
Citigroup Inc.

**DIVERSITY MILESTONES**



Citi values all of our employees, respects their backgrounds and experiences, and promotes them based on contributions and merit. We are committed to growing the number of diverse leaders across the company.

## DIVERSITY AT CITI

### Our Workplace and Our People

Citi values all of our employees, respects their backgrounds and experiences, and promotes them based on contributions and merit. While we embrace people of all backgrounds, we emphasize those groups who have historically been underrepresented in the workplace. We are committed to growing the number of diverse leaders across the company.

- **Women:** Women account for half the world's working-age population, yet research shows that they face high or extremely high levels of gender inequality in work, legal protection and other essential indicators in many countries. Because of these barriers, there are fewer women than men in the labor force globally. Closing this gap can advance global growth by at least \$12 trillion, or 11 percent, in annual 2025 GDP.<sup>1</sup> Over half of Citi's employees (51.4 percent) are women and our programs supporting women at all levels help unlock their tremendous potential.
- **Racial/ethnic minorities:** We live in a connected, global world where influences and ideas from every culture are needed. Global companies that score high on racial and ethnic diversity are 35 percent more likely to deliver financial returns above their national industry medians.<sup>2</sup> We strive to have a racially and ethnically diverse workforce that reflects our global footprint and diverse customer base. We have dedicated programs focused on increasing minority representation and leadership at Citi. We have made good progress on minority representation and it continues to be an area of focus.
- **Lesbian, gay, bisexual and transgender (LGBT) colleagues:** Although many places where we do business lack legal protections for LGBT employees, we are proud to be among the 88 percent of *Fortune* 500 companies with nondiscrimination policies that include sexual orientation.<sup>3</sup> We not only treat our LGBT employees fairly and equally, but also extend medical, leave and beneficiary benefits to same-sex partners. We support our transgender employees by providing medical coverage for sex reassignment surgery and have policies in place to assist employees in transition.
- **People with disabilities:** A significant percentage of people with disabilities are unemployed – according to one study in industrialized countries, between 50 and 70 percent of persons with disabilities of working age are unemployed and this number is as high as 80 to 90 percent in developing countries due to misperceptions that they are unable to work or effectively perform job tasks.<sup>4</sup> We believe that qualified candidates with disabilities are a rich source of talent that can thrive in our workplace and encourage job applicants and employees to tell us if they have unique needs so we can accommodate them and allow them to flourish.
- **Military veterans:** Military veterans are strong sources of talent, yet companies often have trouble making the connection between military skills and available jobs, and have difficulties reaching veterans through traditional recruiting methods. Citi actively recruits veterans and has a solid record of hiring veterans in key positions; we currently employ more than 2,000 military-experienced colleagues. Learn more at [Citi Salutes](#).



We have a diverse culture that we are proud of and a range of programs that promote diversity and diverse leadership throughout the company. In our robust Diversity Strategy, we outline our work across the entire employment experience, from attracting and developing talent to building a workplace culture of diversity and inclusion. Our strategy describes how diversity plays a role in our relationships with clients, suppliers and communities. We highlight a few of our programs throughout this report.

<sup>1</sup> "How advancing women's equality can add \$12 trillion to global growth", J. Zoetzel, et. al., McKinsey & Company, September 2015.

<sup>2</sup> "Why diversity matters", V. Hunt, D. Layton and S. Prince, McKinsey & Company, January 2015.

<sup>3</sup> *Lesbian, Gay, Bisexual, Transgender Workplace Issues*, Catalyst, May 2015.

<sup>4</sup> *Employment of persons with disabilities*, United Nations Enable, November 2007.



**“The unlocking of women’s potential in the global economy may well prove to be the key factor that tips the balance from a future of weak growth to one of sustained, inclusive and improving growth over time.”**

Women in the Economy: Global Growth Generators, a Citi GPS report

### Diverse Leadership

Citi is a complex organization requiring strong leaders at all levels and in all parts of the world. For us, strength comes from diversity. Our internal programs develop our leaders today and our external partnerships with diverse organizations help us recruit diverse candidates to keep the pipeline growing for tomorrow.

In our Institutional Clients Group, we have the Diversity Leadership Program to accelerate development of a diverse pipeline of leaders. The six-month program for high-potential women and minority vice president-level talent helps participants develop confidence, executive presence and strategic skills through workshops and individualized coaching, and gives them access to senior managers who serve as sponsors, mentors and coaches. Since it began in 2006, 177 employees have participated. Ten percent of alumni have been promoted to managing director, and many others have been promoted or taken on increased responsibilities. Another 30 participants will begin the program in Spring 2016.

In addition to internal programs that cultivate a diverse talent pipeline, we also partner with external organizations to promote diversity in our industry. For example, we partner with Management Leadership for Tomorrow (MLT), a U.S. career development organization that prepares high-potential African-Americans, Hispanics and Native Americans for leadership roles in sectors where they are underrepresented. Through a grant from the Citi Foundation, MLT offers pre-MBA (masters of business administration) students Career Transition and Leadership Seminars the summer before they start school to explore jobs in banking.

We also partner with Out & Equal Workplace Advocates, an organization dedicated to achieving workplace equality for LGBT employees. Our engagement is led by employees from Citi’s Pride Networks – both LGBT and allies – and offers them opportunities to build leadership and presentation skills. At the 2015 Out & Equal Workplace Summit, which brought together LGBT employees, human resources professionals and executives from around the world to learn from each other and from experts, Citi was represented by 27 employees from the United States and United Kingdom. Our employees presented on four panels throughout the Summit, including a featured panel on Employee Self-Identification alongside IBM, Target and Stonewall.

Globally, women comprise 24 percent of our senior managers at the director and managing director levels, an increase in representation from last year. In addition, 29 percent of managing director promotes were women in 2015, a new record. We now have 19 female Citi country officers, up from four in 2008. Minority representation at the manager level, however, particularly for Latino and African-American employees, has been flat, signaling an area where we have more work to do.



### CASE STUDY



### HERITAGE NETWORKS EVENT SPOTLIGHT SPONSORSHIP BENEFITS

The focus of the 2015 annual joint Employee Network meeting of the African Heritage Network-NYC, the Asian Pacific Heritage Network-NYC and the Hispanic Heritage Network-NYC was, “Career Sponsorship – Taking the Next Step in Your Career”. More than 200 attendees, hundreds of remote listeners, and six senior-level presenters discussed career succession and sponsorship as critical components of career development.

The event began with a “fireside chat” with Michael (Mike) O’Neill, Citi’s Chairman, and Don Callahan, Head of Operations and Technology and Chairman, Global Employee Network Program. Mike and Don reflected on the challenges they faced before reaching their leadership positions and agreed managers serve as the best sponsors for employees. They advised employees to be bold, take risks and go outside their comfort zones.

Another highlight of the event was a panel discussion moderated by Carolina Caballero, Hispanic Heritage Network-NYC Co-Chair, and featuring Citi senior leaders. Panelists Mark Mason, Anita Romero, and Jagdish Rao emphasized strong performance, clear vision and working with sponsors willing to challenge their protégés.

Citi has published our EEO-1 Employer Information Survey in our annual diversity reporting since 1999. Over the past 16 years, we have consistently provided transparency to the public regarding our workforce demographics.

2015 Consolidated U.S. Employer Information Report (EEO-1)\*

Job Categories	Gender	White	Black	Hispanic	Asian	Native American	Native Hawaiian or Pacific Islander	Multi-racial	Total by Gender	Total
Executive/Senior Managers	Male	15	1	0	2	0	0	0	18	23
	Female	5	0	0	0	0	0	0	5	
First/Mid-Level Managers	Male	6,164	462	966	1,797	23	18	26	9,456	16,644
	Female	4,590	674	919	944	25	11	25	7,188	
Professionals	Male	7,520	699	1,361	3,113	28	22	74	12,817	22,090
	Female	5,275	898	1,160	1,849	25	14	52	9,273	
Technicians	Male	684	121	247	152	2	1	6	1,213	2,474
	Female	704	163	272	109	1	2	10	1,261	
Sales Workers	Male	2,045	288	700	498	10	13	13	3,567	8,315
	Female	2,390	607	1,147	534	22	19	29	4,748	
Administrative Support	Male	3,943	1,088	1,447	445	25	21	60	7,029	26,017
	Female	10,531	3,481	3,709	1,012	80	38	137	18,988	
Craft Workers	Male	2	8	3	2	0	0	0	15	25
	Female	5	1	4	0	0	0	0	10	
Operatives	Male	60	42	9	28	0	0	1	140	255
	Female	52	16	4	42	0	0	1	115	
<b>Total</b>	<b>Male</b>	<b>20,433</b>	<b>2,709</b>	<b>4,733</b>	<b>6,037</b>	<b>88</b>	<b>75</b>	<b>180</b>	<b>34,255</b>	<b>75,843</b>
	<b>Female</b>	<b>23,552</b>	<b>5,840</b>	<b>7,215</b>	<b>4,490</b>	<b>153</b>	<b>84</b>	<b>254</b>	<b>41,588</b>	

\* As of July 1, 2015.

“Including diverse people on our teams gives us the best possible chance of identifying the full range of opportunities as well as seeing risk from a variety of perspectives. And that’s ultimately what our business needs to thrive.”

Jim Cowles, Citi CEO, Europe, Middle East and Africa

EMPLOYEE NETWORKS

Citi Employee Networks are affinity groups initiated and led by our employees. They offer professional development, mentoring, networking and community engagement opportunities to members. Consistent with our inclusive culture, groups are open to all Citi employees, whether or not they identify with a particular community.

We now have 121 networks in 30 countries and 56 locations with 15,000 members in 10 affinity groups.

Affinity Groups

- disABILITY (focused on people with disabilities and their caregivers)
- Generations
- Heritage
  - African Heritage
  - Asian Pacific Heritage
  - Hispanic Heritage
  - Multicultural
- Military Veterans
- Parents
- Pride (focused on LGBT communities)
- Women

-  121 networks
-  10 affinities
-  15,000 members
-  30 countries
-  56 locations



	disABILITY	Generations	Heritage	Military veterans	Parents	Pride	Women	Total
Total networks	6	3	22	16	9	18	47	121



## Citi Women includes two core leadership development programs for managing directors and directors: Women Leading Citi and the Citi Women's Leadership Development Program.

### Employee Voices

One of the most effective ways we assess trends in the workplace and management practices is through our annual Voice of the Employee (VOE) Survey. We value our employees' opinions and were encouraged that 2015 VOE results indicated continued employee interest and positive progress in diversity and inclusion. The diversity index in our VOE Survey, which measures four items – senior manager support for diversity, equal opportunity for a successful career, manager support for work/life balance and whether employees felt they were treated with respect and dignity – increased to 81 percent favorability, an all-time high outcome, up from 79 percent in 2014.

### Women at Citi

Women make up more than half of our workforce, yet they are less represented at our most senior ranks. We started Citi Women in 2006 as a global initiative to advance women's representation in leadership roles across our business. Two senior executives lead the effort with an advisory team.

Citi Women includes two core leadership development programs for directors and managing directors: Women Leading Citi (see feature on the next page), which graduated 51 participants in 2015, and the Citi Women's Leadership Development Program, which hosted 154 participants representing 32 countries in 2015. Thanks to these and other dynamic local or business-led leadership programs, women at Citi have made solid progress over the past few years.

In addition to advancing female leadership at the company, Citi is also promoting greater female representation within our Board of Directors (Board). We elected two additional women to our Board in 2015, increasing female representation to five of 16 (31%).

We also launched additional Women's Employee Networks in our Nordic countries; Switzerland; Bangladesh; Costa Rica; Russia; Columbus, Ohio; and Chennai, India. This brings the number of women's networks to 47 of Citi's 121 global networks.

Citi is active in a number of women's leadership initiatives, including the U.S. Chapter of the 30% Club, a group of business leaders, including our CEO, committed to better gender balance at all levels of their organizations. We partner with organizations globally – Catalyst, the Center for Talent Innovation, Community Business, Opportunity Now and Working Mother Media – and champion the advancement of women and diverse talent. Our executives also participate in national forums showcasing our views on the importance of women in leadership and their contributions to global economic growth.



### CASE STUDY



### CITI WOMEN AT WORK

Joyce-Ann Wainaina is proof of the power of mentoring, networking and knowledge sharing. She joined Citi Kenya in 1990, advancing to leadership roles in Africa's male-dominated banking industry through determination, mentor support and Citi's career development programs. Wainaina was Citi Country Officer (CCO) in Zambia from 2011 to 2014, and the first Kenyan and first woman Chief Executive Officer (CEO) of Citi East Africa.

"In my first role as CCO Zambia, there was only one woman on the management committee of nine seniors in 2011", said Wainaina. "By the time I left in 2014, 45 percent of the management team were female, all appointed on merit. As Citi CEO East Africa, I had the opportunity to fill two CCO vacancies. I ensured a diverse slate of candidates was interviewed and was delighted we hired a female CCO for Uganda – Sarah Arapta."

Wainaina is especially proud of the Sapphire Leadership Program, started in 2015. She co-designed this 12-week mentoring program for high-performing women assistant vice presidents, vice presidents and senior vice presidents in sub-Saharan Africa with two other Citi women leaders and the help of Human Resources. It pairs women with managing directors with experience in the region.



## FEATURE: WOMEN LEADING CITI



### SPONSORSHIP

While we appreciate the value of mentoring, research by the Center for Talent Innovation (CTI) shows sponsorship – proactive advocacy of high-potential employees – is much more effective in helping people earn pay raises, high-profile assignments and promotions. However, research also finds that generally, fewer women and minorities have sponsors.<sup>5</sup> In 2009, we started Women Leading Citi, an 18-month sponsorship program for senior level women, pairing each participant with an executive sponsor to increase her visibility and serve as her advocate. Since then, three classes have been held, with a total of 173 women around the world participating.

The program is well received by participants and they would recommend the program to others; however, we noticed that participants' relationships with their sponsors could be stronger. Before we launch the fourth class, we will refine the program design and add components to strengthen relationships between participants and sponsors to increase effectiveness and support the mobility, development and retention of senior women leaders at Citi.

### DEIRDRE DUNN AND CAREY LATHROP

"Women Leading Citi exceeded my expectations. The coaching and strong commitment from the firm and my peers in the program opened up a whole new landscape of resources available to help me improve the performance of my business.

Beyond that, the impact of my Sponsor relationship was invaluable. Carey provided introductions that helped me to more efficiently navigate the firm and leverage best practices across departments. The insights and shared perspective of running a business enabled me to make better informed and more thoughtful decisions within my own area."

**Deirdre Dunn,**  
Head of North America  
G10 Rates, Citi

"The Sponsor relationship is a partnership. As a first time Sponsor, I benefited as much from working with Deirdre as she did from me. We jointly came up with a plan, and met regularly to discuss progress, and made adjustments as needed.

I learned from our many conversations and tailored my advice and support based on her interests and needs. I really enjoyed being a part of the program, which gave me the opportunity to develop a strong lasting relationship with a high potential leader that lasted beyond the program, benefiting us both."

**Carey Lathrop,**  
Global Head of Credit  
Markets, Citi

### CECILIA RONAN AND NAVEED SULTAN

"Women Leading Citi enhanced my confidence in my ability to be a leader at Citi. Having Naveed as a sponsor, who was genuine in his feedback and support, and encouraged me to take on new challenges, made a big difference in my career. I am determined to pay it forward to other women in the organization."

**Cecilia Ronan,**  
Chief Administrative Officer,  
Citi Ireland

"Diversity is critical for organizations and businesses to operate successfully in an increasingly global and complex environment. Programs like Women Leading Citi are key to facilitating greater diversity, especially at the senior levels. I enjoy being a Sponsor for promising talent like Cecilia and encourage all managers to embrace this approach in their daily work beyond just participating through a formal program."

**Naveed Sultan,**  
Global Head of Treasury  
and Trade Solutions, Citi

<sup>5</sup> [The sponsor effect: breaking through the last glass ceiling](#), Sylvia Ann Hewlett, et. al., Center for Work-Life Policy, December 2010.

The value of diversity to our business extends throughout the value chain, from our employees to our suppliers.

Client Engagement

We know many of our clients value diversity as passionately as we do, and we invite them to participate in activities celebrating this important part of our culture.

Each year, Citi celebrates International Women’s Day (IWD) globally to recognize women’s achievements and remind our employees and clients that the recruitment, involvement and advancement of women is a business imperative. In 2015, we hosted 231 IWD events in 134 cities in 90 countries, including 35 client events that attracted 1,500 guests.

- In Guatemala City, Guatemala, approximately 100 women in financial, professional, political and social careers took part in Global Mentoring Walk 2015, an event we jointly hosted with Vital Voices Guatemala, to give women the opportunity to exchange experiences and share goals and dreams with others who have achieved success.
- In Stockholm, Sweden, Eirik Winter, Citi’s Chairman Nordic Region and Head of Nordic Investment Banking, hosted a Citi Women Network Lunch for clients on the theme of “Female Purchasing Power”. A panel of well-known business leaders discussed how to attract more clients to the business in the future and the impact of diversified management.
- In Hong Kong, we welcomed Yip Wing-sie, renowned conductor of the Hong Kong Sinfonietta, and Cissy Pao, a well-respected and passionate arts advocate to share their views in a panel discussion on today’s working women who are both independent and family-focused.

Supplier Diversity

The value of diversity to our business extends throughout the value chain, from our employees to our suppliers. We created the [Citi Supplier Diversity Program](#) to give maximum opportunity to diverse partners who satisfy our purchasing and contractual standards. The program provides diverse suppliers with equal access to business opportunities, financial services and technical assistance. For more details on our supply chain, download our [Sustainability Fact sheet](#).

U.S. Procurement Spend with Diverse Suppliers

Year	Diverse Spend*
2011	\$426M
2012	\$632M
2013	\$776M
2014	\$797M
2015	\$783M

\* Includes both Tier One and Tier Two figures.



CASE STUDY



PROVIDING OPPORTUNITIES TO VETERANS

Citi has a long-standing commitment of supporting our military veterans and providing opportunities to veteran communities. In 2015, we worked exclusively with veteran-owned firms for the first time to syndicate a \$1.5 billion bond issuance. We hired five veteran-owned financial firms to distribute the bonds to investors: Academy Securities, Inc.; CAVU Securities, LLC; Drexel Hamilton, LLC; Mischler Financial Group, Inc.; and Multi-Bank Securities, Inc. We will continue to involve veteran-owned firms in similar transactions in the future.

In addition, through our company-wide [Citi Salutes](#) initiative, veterans are connected to Citi’s entire range of services geared to the military community, including career opportunities, partnerships with leading veteran service organizations and innovative banking services.



Going forward, we hope to expand the opportunity for self-identification in more countries, understanding that local laws and customs impact identity consideration and tracking.



#### WHAT'S AHEAD

##### Self-Identification

In November 2015, Citi announced an expanded voluntary self-identification enhancement to our employee self-service platform for our incumbent workforces in the United States and United Kingdom. Rolling out self-identification can be challenging, as dimensions of diversity are dynamic and identities are often complex. We partnered with external experts and conducted internal focus groups to determine the best process for implementation. We will be able to more accurately measure our population through expanded demographic characteristics including sex, race, ethnicity, disability, sexual orientation, gender identity and, in the United States, military veteran status. This will help us understand more about our employee community and in turn develop more effective people strategies including hiring, promotion, mobility and retention of the best talent.

The way individuals define their personal characteristics continues to evolve as migration and attitudinal shifts in society change population demographics and influence the way people define their identities. Going forward, we hope to expand the opportunity for self-identification in more countries, understanding that local laws and customs impact identity consideration and tracking.

##### Unconscious Bias

Everyone has preconceptions – positive and negative – that influence their decisions and actions. To help keep these unconscious biases from affecting our recruiting and hiring decisions, we currently train our recruiting teams in North America to be aware of judgments based on gender, race, disability, sexual orientation, cultural background, educational experience, religion and other factors.

In 2016, Citi will expand this effort and launch a global training program to educate approximately 100,000 officers on key diversity and inclusion topics through online scenario-based experiences. The training will support our culture of inclusion by covering topics such as unconscious bias and the business case for a diverse workforce. Participants will learn how to take actions to lessen the impact of their implicit biases and gain knowledge on how to promote an inclusive culture.

##### Diverse Interview Panels

We are committed to building a diverse pipeline of talent and strengthening our selection capabilities to ensure that we hire the best talent. In addition to providing trainings on unconscious bias globally and using diverse slates when filling senior level positions, we are introducing diverse interview panels that include at least one woman globally and/or racial/ethnic minorities in the United States for managing director level hires. Our goal in 2016 is for at least 75 percent of managing director level hires to be interviewed by a panel with at least one diverse panel member. We intend to expand this practice into hiring decisions further down in the organization in the future.

To find out more, go to:  
[citi.com/citizenship](http://citi.com/citizenship)



#### CASE STUDY



##### WORKING WITH PRIDE: CITI'S PRIDE NETWORKS

Over 1,000 LGBT employees and allies participate in Citi's 18 Pride Networks globally, which now cover all regions where we operate. Network members promote LGBT awareness, do community outreach and help recruit and retain diverse talent.

In 2015, we launched a Pride Network in Sydney, our second in Asia Pacific and our first in Australia. During the launch, Julian Potter, Citi's Country Business Manager, Australia, and the network's executive sponsor, signed an official letter on Citi's behalf supporting marriage equality in Australia. On the other side of the globe, Citi's Pride Network in Belfast, Ireland helped launch Northern Ireland's Regional Network of Corporate Pride Networks, which currently has 12 member companies.



# Workforce and Talent

As the financial sector becomes more digital, banks seek talent and skillsets beyond traditional finance and recruit from a variety of backgrounds. Moreover, today's talent seeks flexible work arrangements and employers with a clear social purpose.



## WHAT'S HAPPENING

Though competition for talent among banks and financial institutions remains high, the talent landscape has shifted in recent years following the financial crisis. As the financial sector becomes more digital, banks seek talent and skillsets beyond traditional finance and recruit from a broad range of backgrounds. The integration of the Millennial generation into the global workforce is also having a profound effect on the way businesses operate. Today's global talent seeks flexible work arrangements and employers with a clear social purpose.



## WHAT CITI IS DOING

We constantly evolve how we attract, retain and develop talent globally. Our talent and workforce programs develop and strengthen skills, communicate our expectations for ethical conduct and promote an environment of learning and leadership.

In addition to rolling out our Mission and Value Proposition this year, we rewrote our Leadership Standards to ensure our expectations of people are clear and reflect our vision and values. The updated Leadership Standards demonstrate the behaviors Citi expects of employees. Citi's senior leadership was involved in creating these Standards, and we conducted leadership meetings and focus groups to ensure they resonate across the company.



## 2015 HIGHLIGHTS

.....  
We launched our updated

### Leadership Standards

.....

In our annual Voice of the Employee Survey,

**employee satisfaction increased to 76%**  
.....

More than

**80,000 volunteers**

participated in our 10th annual Global Community Day  
.....

More than

**15,000 employees**

used formal flexible work arrangements

**Exposure and access to Citi's diverse businesses, products and regions are key differentiators in attracting talent, and powerful development tools for individuals once they join.**

#### **A Global Workforce**

We believe the best way to develop talent is through experience. Exposure and access to Citi's diverse businesses, products and regions are key differentiators in attracting talent, and powerful development tools for individuals once they join.

We are committed to promoting from within, which means having a pipeline of leaders ready to assume leadership positions across the firm. To achieve this, we developed an end-to-end process of assessing, developing and coaching leaders against specific success profiles for these roles.

Through short and long-term mobility programs, a centralized global recruitment system and ongoing training programs, we are leveraging our global network for our talent's career growth and personal development.

In our Global Consumer Bank, we have an Emerging Talent Accelerator Program that builds career management skills and facilitates cross-boundary moves within Citi. Our Institutional Clients Group recently announced plans to offer broader rotation options for analysts and associates as well as options to participate in a service year before taking a full-time position. Citi Ventures, our venture capital and corporate innovation division, facilitates the Catalyst program, a one to two year placement for individuals to work with senior business leaders to design client-centric solutions and approaches identified by the business. We believe these programs driving mobility help develop breadth and more general management experience among our top talent.

Additionally, among our 128 employee networks, we have several groups dedicated to fostering cross-generational awareness. These employee-led groups examine and address challenges and opportunities that exist when working with different generations in the workplace, providing the means for open dialogue on how to improve cross-generational interactions. Some examples include mentoring programs and networking opportunities to enhance communications among the generations.

#### **Diversity of Thought**

Diversity and inclusion are key drivers of progress and success. As part of our annual talent review, we identify diverse talent to watch, identify opportunities for their development, and track and review their progress over the course of the year. We are focused on ensuring diverse candidates are represented on slates for open positions, and selection panels are comprised of diverse leaders. Additionally, we are focused on providing coaching and development support to increase diverse representation at the most senior levels. In 2015, we conducted Unconscious Bias training at senior levels in the bank, and in 2016, we will make it available to all Citi people managers. For more on our efforts to create a diverse and inclusive culture, visit the [Citigroup website](#).



#### **CASE STUDY**



#### **ONBOARDING SETS UP NEW MANAGERS FOR SUCCESS**

For the first time Citi has taken a global approach to onboarding newly hired and newly promoted managers through the launch of the New Manager Experience (NME). The program provides onboarding; leadership expectations; an overview of information, systems and resources available on Citi For You, our global Human Resources intranet; a path to building manager capabilities; and "how-to" guidance on basic management tasks. Approximately 1,600 newly hired and 5,400 newly promoted managers participate each year through in-person and virtual facilitator-led classrooms, social learning, networking with peers and just-in-time digital resources.



Each year, we take approximately 10,000 leaders through our core leadership curriculum to enhance management and leadership quality at Citi and strengthen our pipeline of leaders.

### Learning and Development

We believe learning is part of work. On-the-job experiences, collaboration and exposure to others encourage employees to engage, innovate and maximize their potential. Each year, we take approximately 10,000 leaders through our core leadership curriculum to enhance management and leadership quality at Citi and strengthen our pipeline of leaders. To ensure the tone from the top reinforces our expectations of our leaders, we assess even those in very senior roles, and help them continue to develop. We closely align our learning and development programs with Citi’s talent priorities and business strategy. We use active learning techniques to increase engagement, and technology to increase access, scale and impact.

Our training and development efforts this year focused on areas we believe are imperative to our success as a company. As part of our Culture and Ethics efforts this year, more than

35,000 employees were trained in Ethics and Leadership. Nearly 213,000 employees participated in anti-money laundering, sanctions and anti-bribery and corruption training. We also provided training on Citi’s Global Consumer Banking Fairness Policy and Treating Customers Fairly Program to approximately 123,000 employees. For more information, download our [Conduct, Culture and Governance Fact sheet](#).

This year we partnered with Udemy, one of the largest producers of educational “how-to” videos, to offer more than 1,000 business courses developed by industry experts and individuals. During the four-month soft launch, 4,627 Citi employees from around the world accessed Udemy. The “Academy of You” content was made available at the start of 2016, allowing employees to access the library when they want and from any Web-enabled device, including home computers, smartphones and tablets.

### Summary of Training Hours

	2011	2012	2013	2014	2015
Instructor Led	6.0M	5.2M	5.8M	5.6M	5.7M
Web-Based Learning	3.9M	5.3M	5.1M	5.0M	4.8M
Other	0.20M	0.16M	0.23M	0.20M	0.05M
<b>Total</b>	<b>10.1M</b>	<b>10.6M</b>	<b>11.2M</b>	<b>10.8M</b>	<b>10.5M</b>
<b>Average hours per employee</b>	<b>38</b>	<b>40</b>	<b>44</b>	<b>45</b>	<b>46</b>

### Global Employee Training by Region

Region	Hours per Employee
Asia Pacific	46
Europe, Middle East and Africa	26
Latin America	56
North America	44



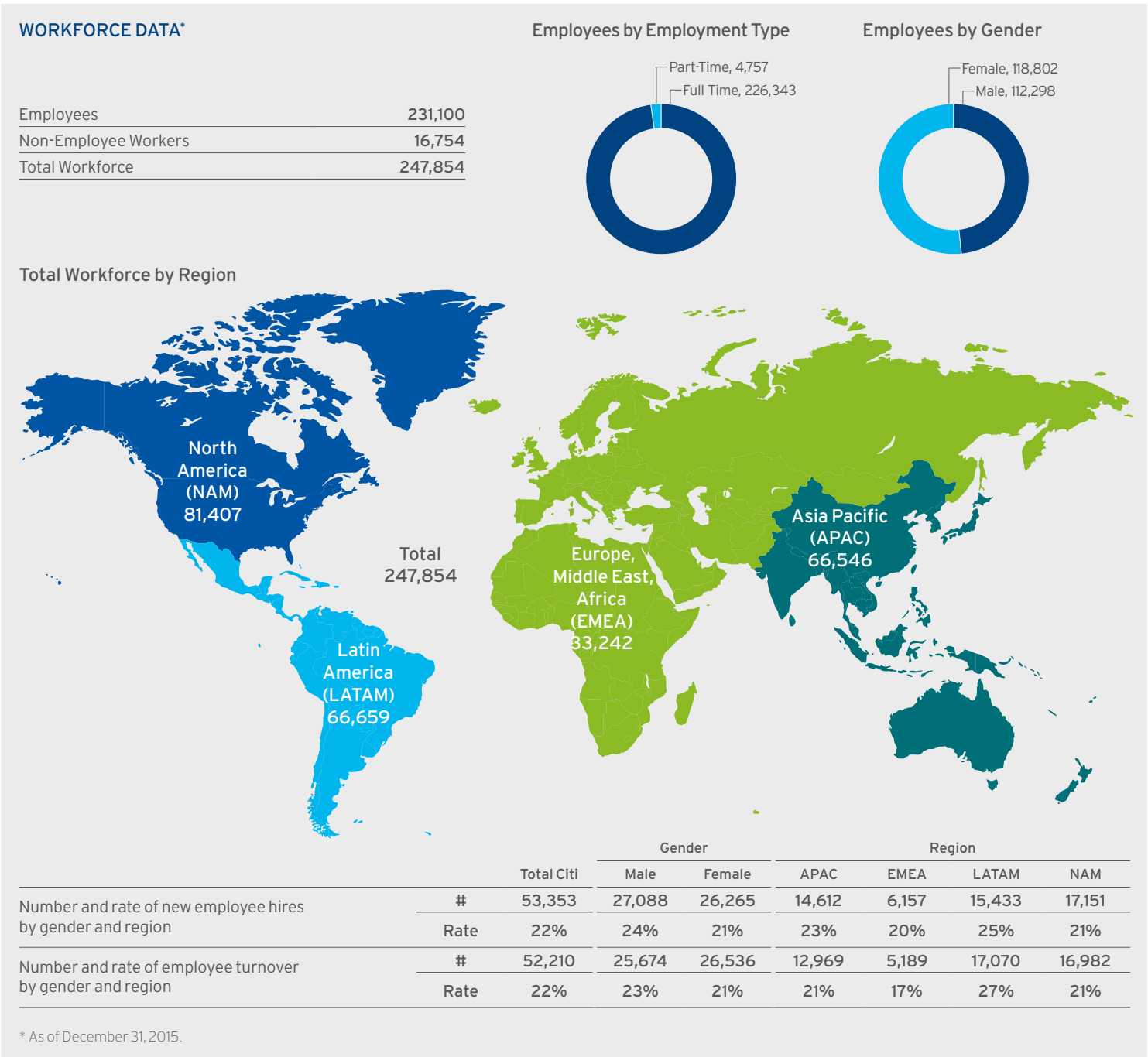
### CASE STUDY



### ASIA’S INSPIRING WOMEN LEADERS PROGRAM

Asia’s Inspiring Women Leaders Program (IWLP) is a six month program that focuses on developing high-potential female leaders. Instituted in 2015, more than 50 women have participated, with great engagement from senior leaders across Asia Pacific. IWLP covers topics including building presence and impact, authentic leadership and risk taking and is delivered through classroom and virtual sessions. The program also has mentoring, peer coaching and career discussions with managers built in.

Through short- and long-term mobility programs, a centralized global recruitment system and ongoing training programs, we are leveraging our global network for our talent’s career growth and personal development.



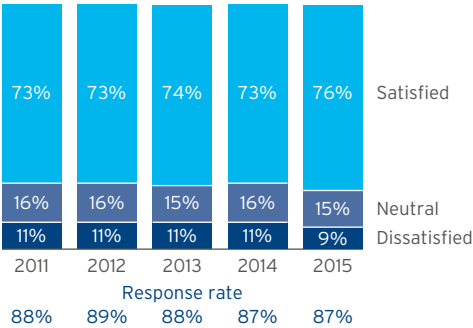
Whether a flexible schedule or working remotely, different work styles have rapidly become an integral part of Citi's culture.

Workforce Wellbeing

We provide a positive work environment and offer tools and resources to support wellbeing. Our Live Well programs help employees and their families achieve their health goals, and our Save Well plans guide them to build financial stability.

Since 2005, Citi has provided a common framework for managers and employees who are considering flexible work strategies. Whether a flexible schedule or working remotely, different work styles have rapidly become an integral part of Citi's culture. With more than 15,000 employees using formal flexible work arrangements last year, the program is yielding measurable benefits to both employees and the company in terms of increased employee satisfaction and retention, business continuity and more efficient real estate utilization.

Voice of the Employee Survey



Employee Engagement

Engaged employees – those who feel connected to their companies, teams and work – perform better and deliver better results. Managers account for 70 percent of the variance in employee engagement across business units<sup>1</sup>, so we rely on them to motivate their teams day-to-day. We also believe, however, it is important for us to encourage employees to engage with their colleagues and Citi in community activities in which we share a common purpose.

Global Community Day, our flagship employee engagement campaign, which we have held for 10 years running, symbolizes our commitment to enabling progress through service. This year, more than 80,000 Citi volunteers participated in over 1,200 events in 93 countries and territories and 487 cities.

In 2015, Citi volunteers contributed more than one million volunteer hours in the communities where we do business. From hands-on activities such as urban revitalization, environmental conservation and disaster relief, to skills-based opportunities where employees act as college and career mentors or teach financial education, Citi volunteers give back to meet the pressing needs of our communities, experience personal fulfillment and lay the foundation for professional growth.

Volunteering

Year	Volunteer Hours
2011	789,000
2012	1,340,433
2013	955,606
2014	961,603
2015	1,043,058

For more information about our volunteer programs and the impacts of our 2015 Global Community Day, [click here](#).



WHAT'S AHEAD

The dynamic global business environment requires us to continually assess and strengthen our talent and workforce efforts. We know competition for talent is not diminishing. We also know that to maintain strong relationships with our clients and partners, we must have the right people in the right roles making the right decisions, day in and day out. We made progress this year in communicating these expectations to our global network of employees and embracing our standards and values day-to-day, but we know more needs to be done. We will build on these efforts to create a diverse workforce and inclusive culture that enables progress worldwide.

To find out more, go to: [citi.com/citizenship](http://citi.com/citizenship)

<sup>1</sup> Managers Account for 70% of Variance in Employee Engagement, Gallup, April 2015.



# Citi Foundation

The Citi Foundation invests in innovative local ideas and solutions to address complex social and economic challenges around the world. We create economic opportunity and social mobility for low-income people and partner with stakeholders to bring successful solutions to scale.



## WHAT'S HAPPENING

Cities are experiencing unprecedented population growth, which poses serious challenges to governments and institutions. Economic growth has not resulted in economic advancement for all, and many low-income adults and youth struggle to achieve financial stability and success. To eliminate roadblocks and make meaningful systemic change, stakeholders from across industries and sectors must come together and work toward common goals and visions.

We think the most important role of philanthropy is to inspire people to believe in their own futures and eliminate barriers that stand in their way. This is not sentimentality, but quite the opposite. Grantees can guide young people, for example, to secure their financial futures and monitor their progress, but each person has to make the journey him/herself. Our job as a philanthropic foundation is to invest in programs and ideas that help inspire them to get there.



## WHAT THE CITI FOUNDATION IS DOING

The Citi Foundation promotes economic progress and creates measurable impact in low-income communities where Citi has a presence. In 2015, we invested \$78 million in 85 countries and territories to advance financial inclusion, prepare young people for the 21st century economy and spur economic opportunity for low-income residents in cities.

Our philanthropic focus is intentionally aligned with Citi's mission to enable progress, but we operate as an independent entity, making grants to nongovernmental (NGO) innovators and supporting research to advance the field. We are not in the "check writing" business; we are partners and investors who collaborate with leading NGOs to develop local solutions for communities, support research to deepen knowledge of what works and amplify those approaches through thought leadership activities. While we are willing to take risks, we hold ourselves and our grantees accountable for generating measurable social returns and acting as change agents. We enhance these efforts by engaging Citi employees through volunteerism.



## 2015 HIGHLIGHTS

We gave more than  
**\$78 million**  
in grants to

**376 NGOs**  
across

**85 countries  
and territories**  
that served over

**1 million people**



In 2015, we implemented new investment mechanisms and expanded existing ones to support programs and partners with innovative ideas and models.

In 2015, Citi Foundation contributed more than \$78 million to projects and partners around the world.

#### 2015 Citi Foundation Giving by Focus Area

Area	Amount
Financial Inclusion	\$34M
Youth Economic Opportunities	\$30M
Urban Transformation	\$13M
Other	\$1M

#### 2015 Citi Foundation Giving by Geography

Region	Amount
United States	\$44M
International	\$34M

#### 2015 Citi Foundation Grant Metrics\*

Impact	Result
Participants Served	1,005,991
Individuals Adopting Positive Financial Behaviors	369,013
Youth Enrolling or Completing Postsecondary Education or Training	103,227
New Jobs Created by Building or Expanding over 28,000 Micro and Small Enterprises	35,147
NGOs Strengthened	1,943

\* Based on grantee projections.



#### CASE STUDIES



#### ASIA-PACIFIC FINANCIAL INCLUSION SUMMIT

The Asia-Pacific Financial Inclusion Summit played a pivotal role in facilitating conversations and collaboration among diverse stakeholders. About 500 representatives of government agencies, financial services firms, microfinance institutions, technology providers and other groups gathered in Manila, Philippines, in October 2015, to accelerate financial inclusion in the Asia-Pacific region. The summit was organized by the Citi Foundation, The Foundation for Development Cooperation (FDC) and the Financial Times, in partnership with the Banking with the Poor Network and support from host partner Bangko Sentral ng Pilipinas (BSP). Participants tackled inclusive finance, digital technology to reach the unbanked, the regulatory environment, how to scale microfinance institutions and financial education delivery models. The Summit was an important milestone in our work to advance the conversation and drive action in the financial inclusion space.



#### WHAT IT'S WORTH

What It's Worth: Strengthening the Financial Future of Families, Communities and the Nation, makes clear why every household's financial health matters for the U.S. economy to thrive. The book includes a chapter by the Citi Foundation on our experience supporting financial inclusion programs that promote the financial security of low-income communities. It also shows how those working in education, health, housing, workforce training, justice and other sectors play a critical role in removing barriers to financial health and well-being. It provides a 360-degree view of the financial challenges millions of American households face, the enormous creativity and innovation already happening to increase financial well-being, and how we can implement proven and emerging solutions. The book was produced in partnership with the Corporation for Enterprise Development (CFED) and the Federal Reserve Bank of San Francisco and funded by the Citi Foundation.

Through *Pathways to Progress*, we are working with community partners, government leaders and Citi volunteers globally to deliver high-impact programs to help put young people on the road to economic success.

### Onramps to Opportunity

We evolve and refine our investment approach as we listen and learn from our stakeholders, including community partners, about what works and what more is needed. Throughout 2015, we reaffirmed and enhanced our commitment to invest in the economic future of urban youth. Since 2014, we have committed grant funds, leveraged Citi volunteers' time and talent, and used our program team's technical expertise to deploy programs that create economic opportunities for low-income youth. Our signature program, *Pathways to Progress*, is a cornerstone of these efforts. Initially, the program targeted youth in 10 U.S. cities. Global needs led us to expand the initiative around the world in 2015.

### Dialogue, Learning and Action

In addition to funding direct service programs, we invest and partner to accelerate promising ideas and models. Through meetings, summits and research initiatives, the Citi Foundation shares what we learn, learns from others and promotes dialogue to achieve progress.

### New Investment Mechanisms

In 2015, we implemented new investment mechanisms and expanded existing ones to support programs and partners with innovative ideas and models. We moved into the second year of the India Innovation Grant Program to accelerate and broaden financial inclusion in India. In the United States, we launched the new Community Progress Makers Fund to support and strengthen the impact of community organizations who are change agents in their cities.

We learned from grantees that they needed more core operating support to be more effective. This \$20 million Fund is a multiyear initiative dedicated to providing capacity building funding to NGOs working in low-income communities in six U.S. cities - Chicago, Los Angeles, Miami, New York City, San Francisco Bay Area and Washington, D.C. In addition to grant funding, grantees will have access to leading national experts and researchers, and technical support from Citi volunteers, as well as opportunities to support and learn from one another.

### Pathways to Progress

Through *Pathways to Progress*, the Citi Foundation supports programs to help urban youth build an entrepreneurial mindset, acquire leadership, financial and workplace skills, and engage in the economy through first jobs.

In the United States, we made a three-year, \$50 million commitment to connect 100,000 low-income young people with opportunities to develop workplace and leadership skills. We work with community partners, government leaders and Citi volunteers in 10 cities to deliver high-impact programs to help put young people on the road to success. More than 1,000 Citi employees have engaged as volunteer mentors and coaches. Since launching in 2014, we've reached more than 70,000 young people and invested \$35 million, putting us on a path to exceed our three-year, U.S. goal.

In 2015, we expanded *Pathways to Progress* globally. In London, for example, a unique collaboration between the London Evening Standard newspaper and The London Community Foundation brought together community champions and groups on the Angell Town Estate to increase social cohesion, youth employability and raise their job prospects, whilst also bringing visibility to the issue and documenting the campaign's impact.



## CASE STUDY



### ACCELERATING PATHWAYS

To guide public and private efforts to prepare urban youth to thrive and to inform our youth work globally, we commissioned Accelerating Pathways. This global study, conducted by the Economist Intelligence Unit, compares youth perceptions of their economic prospects in 35 cities, and identifies factors contributing to an enabling economic environment for young people. The research is sparking a dialogue around what is working well in cities and why, and helping make the case why investing in young people is crucial to the economic competitiveness of cities. Accelerating Pathways includes an interactive, comparative database to help decision makers, practitioners and scholars analyze these factors by city, region and metrics.

We will not only bring promising approaches and models to fruition, but also share our knowledge and results to provide economic opportunities for all.



WHAT'S AHEAD

While progress is being made, we know there are still many challenges facing urban populations, especially young people. Getting it right for upcoming generations means cities will become places of opportunity where people want to live and work, and businesses want to locate. We will continue to generate opportunities for low-income people including youth, and collaborate closely with community partners and municipal leaders to identify and test innovative solutions at the local level. We will not only bring promising approaches and models to fruition, but also share our knowledge and results to provide economic opportunities for all.

To find out more, go to: [citi.com/citizenship](http://citi.com/citizenship)

PATHWAYS TO PROGRESS  
THE U.S. COMMITMENT

THE GOAL

A **3-year** initiative in which we invest **\$50 million dollars** to help **100,000 urban youth** connect to economic opportunities.

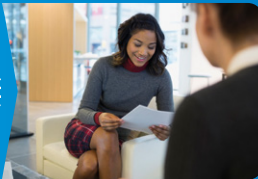
THE JOURNEY



Building an entrepreneurial mindset



Acquiring leadership, financial and workplace skills



Engaging in the formal economy through a first job

THE PROGRESS

Youth served

**70,000+**

served to date

of our 100,000 goal

**1,000+ Citi employees** have dedicated

**17,000+**

volunteer hours

Invested

**\$35m+**

invested to date

of our \$50m goal

THE IMPACT

**5,200+**

youth engaged in service projects

**70+**

businesses started

**1,700+**

youth engaged in entrepreneurship training

**325,000+**

hours of mentorship

**3,900+**

summer jobs created

Impact and progress numbers are inclusive of the first two years of the three year program

# 2015 Global Citizenship Report

## Global Reporting Initiative Index

We are reporting in alignment with the Global Reporting Initiative's (GRI) G4 Guidelines. The GRI Index table below assists our readers to find disclosures in our 2015 Global Citizenship Report, 2015 Annual Report, 2015 10-K, 2016 Proxy Statement and our company website.

G4	Disclosure	Reference and Comments
<b>STRATEGY AND ANALYSIS</b>		
G4-1	CEO Letter	<a href="#">Strategy</a>
G4-2	Key impacts, risks, and opportunities	<a href="#">Strategy</a> <a href="#">Sustainability</a> 2015 10-K PDF page 79 (labeled page 77)
<b>ORGANIZATIONAL PROFILE</b>		
G4-3	Organization name	Citigroup Inc.
G4-4	Primary brands, products, and services	2015 Form 10-K PDF page 5 (labeled page 3) Citi Website: <a href="http://www.citigroup.com/citi/about/citi_at_a_glance.html">http://www.citigroup.com/citi/about/citi_at_a_glance.html</a>
G4-5	Headquarters location	388 Greenwich Street New York, NY 10013
G4-6	Where the organization operates	2015 Form 10-K PDF page 15 (labeled page 13) Citi Website: <a href="http://www.citigroup.com/citi/about/countrypresence/">http://www.citigroup.com/citi/about/countrypresence/</a>
G4-7	Nature of ownership and legal form	2015 Form 10-K Cover Page
G4-8	Markets served	2015 Form 10-K PDF pages 5-6 (labeled pages 3-4)
G4-9	Scale of the organization	2015 Annual Report PDF, page 3 (labeled page 1), page 10 (labeled page 8)
G4-10	Total number of employees by type	<a href="#">Workforce and Talent</a> <i>No portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.</i> <i>No significant variations in employment numbers (such as seasonal variations in employment).</i>
G4-11	Collective bargaining agreements	<a href="#">Human Rights</a>
G4-12	Supply chain description	<a href="#">Sustainability - Operations and Supply Chain</a>
G4-13	Organizational changes during the reporting period	2015 Annual Report - CEO letter to shareholders, PDF page 4-7 (labeled pages 2-5)
G4-14	Precautionary principle	<a href="#">Sustainability - Environmental and Social Risk Management</a>
G4-15	External charters, principles, or other initiatives	Carbon Disclosure Project Equator Principles Green Bond Principles Natural Capital Declaration UN Global Compact Wolfsberg Principles
G4-16	Membership associations	<a href="http://www.citigroup.com/citi/investor/data/ccpcs.pdf">http://www.citigroup.com/citi/investor/data/ccpcs.pdf</a>
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	Entities included in financial statements	2015 Form 10-K PDF pages 5-6 (labeled pages 3-4)
G4-18	Process for defining report boundaries and content	<a href="#">Strategy</a>
G4-19	Material aspects included in the report	<a href="#">Strategy</a>
G4-20	Descriptions of material aspect boundaries within the organization	<a href="#">Strategy</a>
G4-21	Descriptions of material aspect boundaries outside the organization	<a href="#">Strategy</a>
G4-22	Restatements	No such restatements
G4-23	Changes from previous reports in terms of scope and/or boundaries	No such restatements
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24	Stakeholder groups	<a href="#">Citi Citizenship Website - Strategy</a>
G4-25	How stakeholders were identified	<a href="#">Strategy</a>
G4-26	Approach to stakeholder engagement	<a href="#">Strategy</a>
G4-27	Topics raised during stakeholder engagements	<a href="#">Strategy</a>



G4	Disclosure	Reference and Comments
<b>REPORT PROFILE</b>		
G4-28	Reporting period	This report covers fiscal and calendar year 2015.
G4-29	Date of most recent report	June 2015
G4-30	Reporting cycle	Annual
G4-31	Report contact	388 Greenwich Street New York, NY 10013 citizenship@citi.com
G4-32	"In accordance" option, GRI Index and report assurance	This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.
G4-33	Policy regarding report assurance	We externally assure our Equator Principles data and Operations data annually. <a href="#">SGS Assurance Letter</a>
<b>GOVERNANCE</b>		
G4-34	Governance structure of the organization	<a href="#">Corporate Governance Guidelines</a> pages 1 and 5 <a href="#">2016 Proxy PDF</a> pages 23-25 (labeled pages 17-19) <a href="#">Strategy</a> <a href="#">Sustainability</a> <a href="#">Nomination, Governance and Public Affairs Committee Charter</a>
G4-35	Process for delegating authority for sustainability topics from the board to senior executives and other employees	<a href="#">Strategy</a> <a href="#">Sustainability</a> <a href="#">Nomination, Governance and Public Affairs Committee Charter</a>
G4-36	High-level accountability for sustainability topics	<a href="#">Strategy</a>
G4-37	Processes for consultation between stakeholders and the board on sustainability topics	<a href="#">Strategy</a>
G4-38	Composition of the board and its committees	<a href="#">2016 Proxy Statement PDF</a> pages 25-26 (labeled pages 19-20) and pages 37-52 (labeled pages 31-46)
G4-39	Whether the chair of the board is also an executive officer	<a href="#">2016 Proxy Statement PDF</a> page 22 (labeled page 16) Citi's Chairman, Michael O'Neill, is an independent director. Citi has had an independent Chairman since 2009.
G4-40	Nomination and selection processes for the board and its committees	<a href="#">2016 Proxy Statement PDF</a> pages 33-34 (labeled pages 27-28)
G4-41	Board conflicts of interest	<a href="#">2016 Proxy Statement PDF</a> pages 19-21 (labeled pages 13-15)
G4-42	Board and executives' roles in the organization's mission statements, strategies, policies, and goals related to sustainability impacts	<a href="#">Strategy</a> <a href="#">Sustainability</a>
G4-43	Board knowledge of sustainability topics	<a href="#">Strategy</a>
G4-44	Board performance with respect to governance of sustainability topics	<a href="#">2016 Proxy PDF</a> page 18 (labeled page 12) <a href="#">Corporate Governance Guidelines</a> pages 5-6
G4-45	Board role in the identification and management of sustainability impacts, risks, and opportunities	<a href="#">Strategy</a> <a href="#">Sustainability</a> <a href="#">Nomination, Governance and Public Affairs Committee Charter</a>
G4-46	Board role in reviewing risk management processes for sustainability topics	<a href="#">Strategy</a> <a href="#">Sustainability</a> <a href="#">Nomination, Governance and Public Affairs Committee Charter</a>
G4-47	Frequency of the board's review of sustainability impacts, risks, and opportunities	At least annually
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report	Executive Vice President, Global Public Affairs
G4-49	Process for communicating critical concerns to the board	<a href="#">Code of Conduct</a> (page 12) <a href="#">2016 Proxy Statement PDF</a> page 30 (labeled page 24) <a href="#">Strategy</a>
G4-51	Remuneration policies for the board and senior executives	<a href="#">2016 Proxy Statement PDF</a> page 24 (labeled page 18) (personnel and compensation committee). Also see Personnel and Compensation Committee Charter pages 1-4 <a href="http://www.citigroup.com/citi/investor/data/percompcharter.pdf">http://www.citigroup.com/citi/investor/data/percompcharter.pdf</a>
G4-52	Process for determining remuneration	<a href="#">2016 Proxy Statement PDF</a> page 24 (labeled page 18) (personnel and compensation committee). Also see Personnel and Compensation Committee Charter pages 1-4 <a href="http://www.citigroup.com/citi/investor/data/percompcharter.pdf">http://www.citigroup.com/citi/investor/data/percompcharter.pdf</a>
G4-53	Stakeholders' views on remuneration	<a href="#">2016 Proxy Statement PDF</a> page 24 (labeled page 18) (personnel and compensation committee). Also see Personnel and Compensation Committee Charter pages 1-4 <a href="http://www.citigroup.com/citi/investor/data/percompcharter.pdf">http://www.citigroup.com/citi/investor/data/percompcharter.pdf</a>
<b>ETHICS AND INTEGRITY</b>		
G4-56	Code of conduct	<a href="#">Code of Conduct</a> <a href="#">Code of Ethics for Financial Professionals</a> <a href="#">Conduct, Culture and Governance</a>
G4-57	Helplines or advice lines for employees	Ask the Ethics Office (internal) <a href="#">Ethics Hotline</a> (internal and external)
G4-58	Mechanisms for reporting concerns about unethical or unlawful behavior	<a href="#">Ethics Hotline</a>

## CATEGORY: ECONOMIC

### Aspect: Economic Performance

G4-DMA		<a href="#">2015 Annual Report</a>
G4-EC1	Economic value	<a href="#">2015 Annual Report</a> PDF page 131 (labeled page 129), PDF pages 300-302 (labeled pages 298-300) <a href="#">Financing Development</a> <a href="#">Citi Foundation</a> <a href="#">Performance Summary</a>
G4-EC2	Climate change risks	<a href="#">2015 Annual Report</a> PDF page 79 (labeled page 77) <a href="#">Sustainability</a> CDP response
G4-EC3	Benefit plan coverage	<a href="#">2015 Annual Report</a> <a href="https://citibenefitsonline.com/SitePages/Home.aspx">https://citibenefitsonline.com/SitePages/Home.aspx</a>

### Aspect: Market Presence

G4-EC5	Ratio of entry level wage to local minimum wage	We provide competitive levels of compensation above local minimum wage requirements.
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### Aspect: Indirect Economic Impacts

G4-DMA		<a href="#">Inclusive Cities</a> <a href="#">Financing Development</a>
G4-EC7	Infrastructure investments	<a href="#">Inclusive Cities</a> <a href="#">Financing Development</a> <a href="#">Sustainability - Environmental and Social Risk Management</a>
G4-EC8	Indirect economic impacts	<a href="#">Inclusive Cities</a> <a href="#">Financing Development</a> <a href="#">Sustainability - Environmental Finance</a>

## CATEGORY: ENVIRONMENTAL

### Aspect: Energy

G4-DMA		<a href="#">Sustainability - Operations and Supply Chain</a>
G4-EN3	Energy consumption (Scope 1 + 2)	<a href="#">Sustainability - Operations and Supply Chain</a>
G4-EN4	Energy consumption (Scope 3)	<a href="#">Sustainability - Operations and Supply Chain</a>
G4-EN5	Energy intensity	<a href="#">Sustainability - Operations and Supply Chain</a>
G4-EN6	Energy reductions	<a href="#">Sustainability - Operations and Supply Chain</a>

### Aspect: Emissions

G4-DMA		<a href="#">Sustainability - Operations and Supply Chain</a>
G4-EN15	GHG emissions (Scope 1)	<a href="#">Sustainability - Operations and Supply Chain</a>
G4-EN16	GHG emissions (Scope 2)	<a href="#">Sustainability - Operations and Supply Chain</a>
G4-EN17	GHG emissions (Scope 3)	<a href="#">Sustainability - Operations and Supply Chain</a>
G4-EN18	GHG emissions intensity	<a href="#">Sustainability - Operations and Supply Chain</a>
G4-EN19	Reduction of GHG emissions	<a href="#">Sustainability - Operations and Supply Chain</a>

### Aspect: Effluents and Waste

G4-DMA		<a href="#">Sustainability - Operations and Supply Chain</a>
G4-EN23	Waste by type and disposal method	<a href="#">Sustainability - Operations and Supply Chain</a>

### Aspect: Products and Services

G4-DMA		<a href="#">Sustainability - Environmental and Social Risk Management</a>
G4-EN27	Mitigation of environmental impacts of products and services	<a href="#">Sustainability - Environmental and Social Risk Management</a>

### Aspect: Transport

G4-DMA		<a href="#">Sustainability - Operations and Supply Chain</a>
G4-EN30	Environmental impacts from product distribution and employee travel	<a href="#">Sustainability - Operations and Supply Chain</a>

**CATEGORY: SOCIAL****Sub-Category: Labor Practices and Decent Work****Aspect: Employment**

G4-DMA		<a href="#">Workforce and Talent</a>
G4-LA1	Number and rate of new employee hires and turnover	<a href="#">Workforce and Talent</a>
G4-LA2	Benefits provided to full-time employees	<a href="https://citibenefitsonline.com/SitePages/Home.aspx">https://citibenefitsonline.com/SitePages/Home.aspx</a>

**Aspect: Training and Education**

G4-DMA		<a href="#">Workforce and Talent</a> <a href="#">Diversity</a>
G4-LA9	Average hours of training for employees	<a href="#">Workforce and Talent</a>
G4-LA10	Programs for skills management managing career endings	<a href="#">Workforce and Talent</a> <a href="#">Diversity</a>
G4-LA11	Employees receiving performance and career development reviews	We hold year-end performance reviews for all employees, including executives, as well as less formal midyear development conversations.

**Aspect: Diversity and Equal Opportunity**

G4-DMA		<a href="#">Diversity</a>
G4-LA12	Composition of governance bodies and employees	<a href="#">2016 Proxy Statement</a> PDF pages 37-52 (labeled pages 31-46) <a href="#">Diversity</a>

**Aspect: Investment**

G4-DMA		<a href="#">Sustainability - Environmental and Social Risk Management</a>
G4-HR1	Investment agreements and contracts that include human rights clauses or underwent screening	<a href="#">Sustainability - Environmental and Social Risk Management</a>
G4-HR2	Employee training on human rights	<a href="#">Citi's ESRM and Code of Conduct</a> trainings includes training on human rights-related issues.

**Aspect: Local Communities**

G4-DMA		<a href="#">Inclusive Cities</a>
G4-SO1	Local community engagement, impact assessments and development programs	<a href="#">Inclusive Cities</a> <a href="#">Stakeholder Engagement Table</a>
FS13	Access points in low-populated or economically disadvantaged areas by type	<a href="#">Inclusive Cities</a>
FS14	Initiatives to improve access to financial services for disadvantaged people	<a href="#">Inclusive Cities</a> <a href="#">Financing Development</a> Citi Website: <a href="http://www.citigroup.com/citi/microfinance/data/global_financial_inclusion_brochure_4p.pdf">http://www.citigroup.com/citi/microfinance/data/global_financial_inclusion_brochure_4p.pdf</a> <a href="http://www.citigroup.com/citi/citiforcities/home_articles/n_spotlight_on_financial_inclusion.htm">http://www.citigroup.com/citi/citiforcities/home_articles/n_spotlight_on_financial_inclusion.htm</a>

**Aspect: Anti-Corruption**

G4-DMA		<a href="#">Conduct, Culture and Governance</a>
G4-SO3	Risks related to corruption	We conduct an annual anti-bribery and corruption risk assessment of all global business lines. <a href="#">Conduct, Culture and Governance</a>
G4-SO4	Communications and training on anti-corruption	<a href="#">Conduct, Culture and Governance</a>
G4-SO5	Confirmed incidents of corruption	None during the reporting period.

**Aspect: Public Policy**

G4-DMA		<a href="#">Corporate Political Activities Statement</a>
G4-SO6	Political contributions	<a href="#">Corporate Political Activities Statement</a> <a href="#">U.S. Lobbying Disclosure Websites</a> <a href="#">U.S. Political Contributions</a>

**Aspect: Anti-Competitive Behavior**

G4-DMA		<a href="#">2015 10-K</a>
G4-SO7	Anti-competitive behavior	<a href="#">2015 10-K</a> PDF pages 288-298 (labeled pages 286-296)

**Aspect: Compliance**

G4-DMA		<a href="#">2015 Annual Report</a>
G4-SO8	Fines for non-compliance with laws	<a href="#">2015 Annual Report</a>

## Sub-Category: Product Responsibility

### Aspect: Product And Service Labeling

G4-DMA		<a href="#">Trust</a>
G4-PR3	Product and service information required for labeling	Citi has policies in place that ensure accurate product and service information in compliance with applicable laws and regulations
G4-PR5	Surveys measuring customer satisfaction	<a href="#">Trust</a>

### Aspect: Customer Privacy

G4-DMA		<a href="#">Trust</a>
G4-PR8	Complaints regarding breaches of customer privacy and losses of customer data	<a href="#">Trust</a>

## FINANCIAL SECTOR SUPPLEMENT

### Aspect: Product Portfolio

FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	<a href="#">2015 10-K PDF</a> pages 13-14 (labeled pages 11-12)
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	<a href="#">Sustainability - Environmental Finance</a>



# 2015 United Nations Global Compact Table

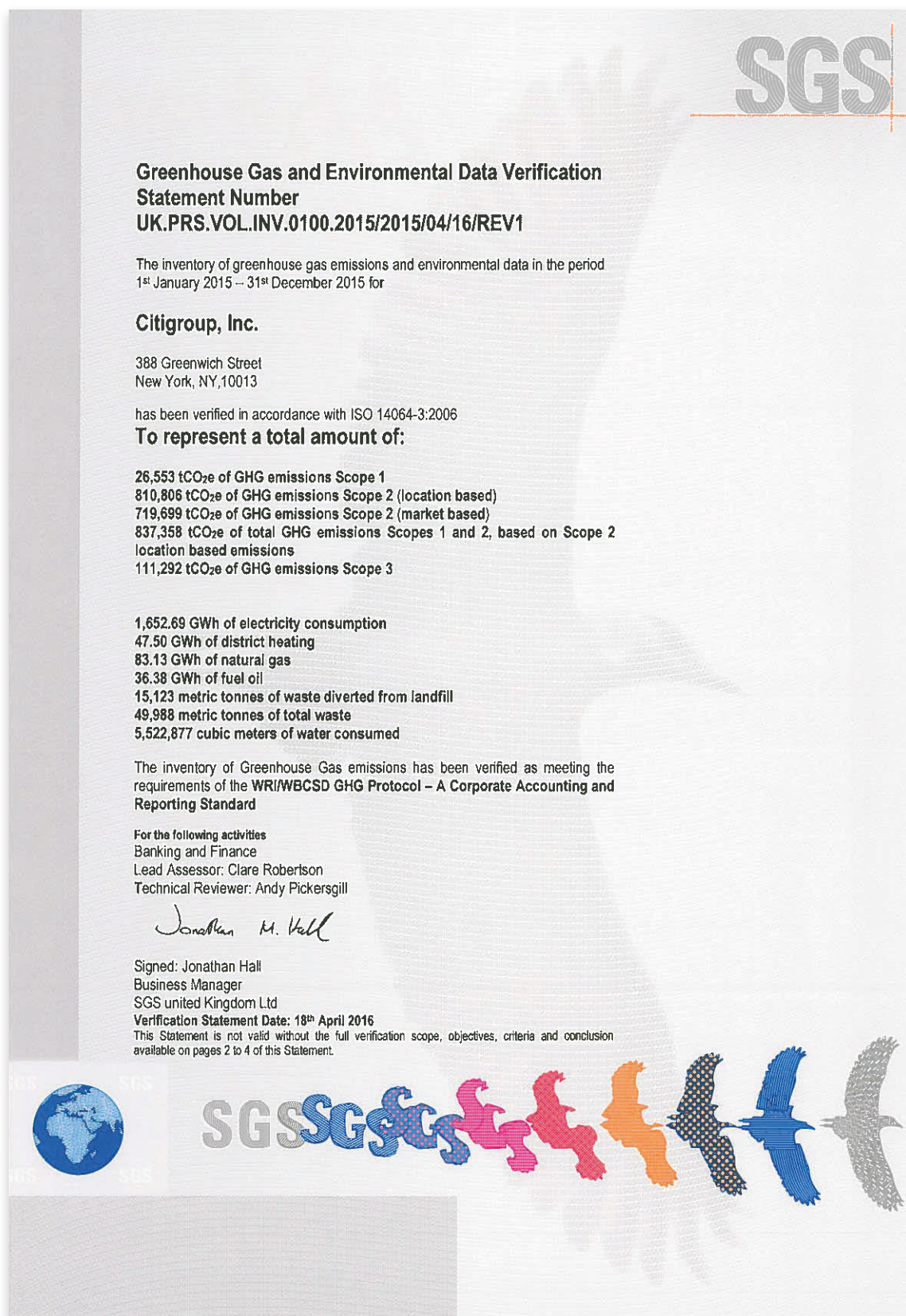
Citi joined the United Nations Global Compact (UNGC) in 2010. As part of this initiative, Citi embraces and reports on core values pertaining to human rights, labor, the environment and anti-corruption. The table below acts as our communication on progress on the UNGC's 10 principles.

UNGC Principle	Reference
<b>HUMAN RIGHTS</b>	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	<a href="#">Human Rights</a>
Principle 2: Make sure that they are not complicit in human rights abuses.	<a href="#">Human Rights</a> <a href="#">Sustainability - Environmental and Social Risk Management</a>
<b>LABOR</b>	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<a href="#">Human Rights</a>
Principle 4: The elimination of all forms of forced and compulsory labor;	<a href="#">Human Rights</a> <a href="#">Sustainability - Environmental and Social Risk Management</a>
Principle 5: The effective abolition of child labor; and Principle 6: The elimination of discrimination in respect of employment and occupation.	<a href="#">Human Rights</a> <a href="#">Sustainability - Environmental and Social Risk Management</a>
<b>ENVIRONMENT</b>	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	<a href="#">Sustainability - Environmental and Social Risk Management</a>
Principle 8: Undertake initiatives to promote greater environmental responsibility; and	<a href="#">Sustainability - Environmental and Social Risk Management</a> <a href="#">Sustainability - Operations and Supply Chain</a>
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	<a href="#">Sustainability - Environmental Finance</a>
<b>ANTI-CORRUPTION</b>	
Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.	<a href="#">Conduct, Culture and Governance</a>

**"Citi supports the ten 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.

# Assurance



SGS

**Greenhouse Gas and Environmental Data Verification  
Statement Number  
UK.PRS.VOL.INV.0100.2015/2015/04/16/REV1**

The inventory of greenhouse gas emissions and environmental data in the period  
1<sup>st</sup> January 2015 – 31<sup>st</sup> December 2015 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:**

26,553 tCO<sub>2</sub>e of GHG emissions Scope 1  
810,806 tCO<sub>2</sub>e of GHG emissions Scope 2 (location based)  
719,699 tCO<sub>2</sub>e of GHG emissions Scope 2 (market based)  
837,358 tCO<sub>2</sub>e of total GHG emissions Scopes 1 and 2, based on Scope 2  
location based emissions  
111,292 tCO<sub>2</sub>e of GHG emissions Scope 3

1,652.69 GWh of electricity consumption  
47.50 GWh of district heating  
83.13 GWh of natural gas  
36.38 GWh of fuel oil  
15,123 metric tonnes of waste diverted from landfill  
49,988 metric tonnes of total waste  
5,522,877 cubic meters of 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: Andy Pickersgill

*Jonathan M. Hall*

Signed: Jonathan Hall

Business Manager

SGS united Kingdom Ltd

Verification Statement Date: 18<sup>th</sup> April 2016

This Statement is not valid without the full verification scope, objectives, criteria and conclusion  
available on pages 2 to 4 of this Statement.



**Schedule Accompanying Greenhouse Gas and Environmental  
Data Verification Statement Number  
UK.PRS.VOL.INV.0100.2015/2015/04/16/REV1**

**BRIEF DESCRIPTION OF VERIFICATION PROCESS**

SGS has been contracted by Citigroup, Inc. for the verification of direct and indirect carbon dioxide (CO<sub>2</sub>) 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<sub>2</sub> 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 organization'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 1<sup>st</sup> January 2015 – 31<sup>st</sup> December 2015. 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<sub>2</sub> equivalent and environmental data assertion during the period March to April 2016.

The assessment included a desk review with remote verification conducted at the 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 8<sup>th</sup> December 2015.

**LEVEL OF ASSURANCE**

The level of assurance agreed is a limited level of assurance

**SCOPE**

Citigroup, Inc. has commissioned an independent verification by SGS of reported



CO<sub>2</sub> equivalent emissions and environmental data arising from their activities, to establish conformance with the requirements of the WRI/WBCSD GHG Protocol for CO<sub>2</sub> 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<sub>2</sub> 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 organization's boundary and meets the requirements of ISO 14064-3:2006.

- The organizational 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 organization: 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<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub>, HFCs, PFCs and SF<sub>6</sub>.
- 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 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<sub>2</sub> equivalent emissions and environmental data are as declared by the organization's assertion
- That the data reported are accurate, complete, consistent, transparent and free of material error or omission.

#### CRITERIA

Criteria against which the verification assessment is undertaken are the requirements of the WRI/WBCSD GHG Protocol (for CO<sub>2</sub> 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 1<sup>st</sup> January 2015 – 31<sup>st</sup> December 2015 disclosing:

26,553 tCO<sub>2</sub>e of GHG emissions Scope 1  
 810,806 tCO<sub>2</sub>e of GHG emissions Scope 2 (location based)  
 719,699 tCO<sub>2</sub>e of GHG emissions Scope 2 (market based)  
 837,358 tCO<sub>2</sub>e of total GHG emissions Scopes 1 and 2, based on Scope 2 location based emissions  
 746,252 tCO<sub>2</sub>e of total GHG emissions Scopes 1 and 2, based on Scope 2 market based emissions  
 111,292 tCO<sub>2</sub>e of GHG emissions Scope 3  
  
 1,652.69 GWh of electricity consumption  
 47.50 GWh of district heating (steam & chilled water)  
 83.13 GWh of natural gas  
 36.38 GWh of fuel oil  
 15,123 metric tonnes of waste diverted from landfill  
 49,988 metric tonnes of total waste, and  
 5,522,877 cubic meters of 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<sub>2</sub> 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 utilized.

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<sub>2</sub> equivalent emissions and environmental data for the period 1<sup>st</sup> January 2015 – 31<sup>st</sup> December 2015 are fairly stated.

This statement shall be interpreted with the CO<sub>2</sub> 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 "2015 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 "2015 Citi Global Citizenship Report", chapter "Environmental and Social Risk Management" including the Equator Principles reporting (pp. 10-14 of the Sustainable Progress section, or pp. 7.10-7.14 of the full report). 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 "2015 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 "2015 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 Lead Auditor registered with IRCA (International Register of Certificated Auditors) in Environmental, Quality, Occupational Health & Safety, and Social Systems.





#### ASSURANCE OPINION

On the basis of the methodology described and the verification work performed on the "2015 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 2015. 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 for this stage in their reporting.

#### CONCLUSIONS WITH REGARDS TO EQUATOR PRINCIPLES III REPORTING DATA FOR 2015

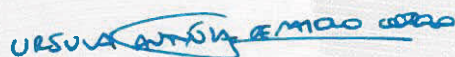
In our opinion the "2015 Citi Global Citizenship Report" reported information of EP implementation (pp. 13 of the Sustainable Progress section, or pp. 7.13 of the full report) is presented in accordance with the Equator Principles III, Annex B "Minimum Reporting Requirement" (the Reporting Criteria). SGS based this opinion in the review of Citi's internal documents, including guides, standards, procedures, manuals, spreadsheets, and a sample of 5 funded project loans and their respective EP checklists and Independent Reviews.

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, 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 (2015)
- 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.
- Independent review is required for A projects and for B projects when needed. Citi conducted Independent review for all their A and B projects during the reporting period (2015).
- 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 Antúnez de Mayolo Corzo  
SGS Lead Sustainability Report Assuror  
13<sup>th</sup> April, 2016  
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