

2016 GLOBAL CITIZENSHIP REPORT



INTRODUCTION

This report covers Citi's corporate citizenship activities and performance for the calendar year 2016. The report provides progress updates for key areas of our citizenship efforts across our business units and operations and focuses on issues we determined to be of greatest importance through a materiality assessment process conducted in 2015 (see page 8).

This report was prepared in accordance with the G4 Core option of the Global Reporting Initiative (GRI). In addition, we used the United Nations (UN) Global Compact and the UN Guiding Principles on Business and Human Rights frameworks to guide our reporting. Index tables indicating where we have addressed components for each of these three frameworks can be found at the end of this report (see pages 85-99). This report supplements information published in our 2016 Annual Report. Additional information about Citi can be found on our website.

All reporting and performance data are limited to information for the owned and operated facilities of Citigroup Inc. and its subsidiaries, unless stated otherwise.

For more information on Citi's citizenship initiatives and how Citi is responding to challenges around the world, please visit citi.com/citizenship or contact:

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CEO LETTER

For many reasons, 2016 was a year that few of us are likely to forget anytime soon. Uncertainty, change and anger were all defining characteristics of 2016, but if I had to summarize the year in a word, it would be **AGAINST**. Against the status quo, against long-serving leaders, and against any perceived threats to what people in many places had long considered a predictable and secure future.

While the sources and multiple manifestations of this mood are being analyzed by many, at Citi we think the more important area of focus is: What do we, and should we, stand **FOR**?

As a company with clients in more than 160 countries and jurisdictions and with more than 200 million customer accounts worldwide, what we stand for is informed by many things. First and foremost, we're guided by our mission to responsibly provide financial services that enable growth and progress.

As part of that mission, we ask ourselves how our own actions and behaviors exemplify what we stand for. Do we hold ourselves to the highest ethical and business standards? What do we do on a daily basis to meet and live up to those standards? And, importantly, what do we do when we fall short? Those are the big questions that the first section of this report, **HOW WE DO BUSINESS**, addresses. It makes clear that Citi stands for diversity in the workplace, requiring our colleagues to adhere to the highest ethical standards, running our operations in an environmentally friendly manner and safeguarding our clients' privacy.

In pursuit of our mission, we also ask ourselves how the work we do with our clients and in our communities around the world demonstrates what we stand for. The efforts detailed in the **SOLUTIONS FOR IMPACT** section are indicative of the many ways we can and do have a positive financial and social impact in the communities we serve. They demonstrate that Citi stands for building inclusive cities, working with governments on critical infrastructure projects and financing solutions that protect against climate change.

When I think about the sense of uncertainty that permeates the world today, I grow only more committed to identifying and taking action on issues where Citi can use our global scale and expertise to make meaningful contributions. And while we don't have all the answers and can't solve every problem, we can and do stand **FOR** progress and will continue to do our part to conceive of and contribute to solutions that address some of society's most daunting challenges.

A handwritten signature in blue ink that reads "Michael L. Corbat". The signature is fluid and cursive, with a prominent "M" and "C".

MICHAEL L. CORBAT
CHIEF EXECUTIVE OFFICER
CITIGROUP INC.

OUR MISSION AND VALUE PROPOSITION: ENABLING GROWTH AND PROGRESS

Citi's Mission and Value Proposition defines who we are as a company and guides every decision across our business. The mission is not unique to our citizenship activities. Rather, it applies to our entire business, and everyone – from our Board of Directors to each of our nearly 220,000 employees around the world – is responsible for executing it on a daily basis.

In this report, we intend to illustrate how our core activities help solve the world's toughest challenges and embrace its greatest opportunities – a key tenet of the mission. And where we fall short, we will learn and plan a stronger and more effective course for the future as we continue to revise and strengthen our approach to corporate citizenship across the company.

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.

CITI AT A GLANCE

We are the global bank – an institution connecting millions of people through our core businesses



Core Businesses

GLOBAL CONSUMER BANK

Traditional banking services for consumers and small businesses as well as Citi-branded credit cards



INSTITUTIONAL CLIENTS GROUP

Banking products and services for corporate, institutional, public-sector and high-net-worth clients around the world

Approach



RESPONSIBLY PROVIDE FINANCIAL SERVICES



SERVE AS A TRUSTED PARTNER



CREATE ECONOMIC VALUE

Impact



DRIVING COMMERCE



STRENGTHENING COMMUNITIES



EMPLOYMENT



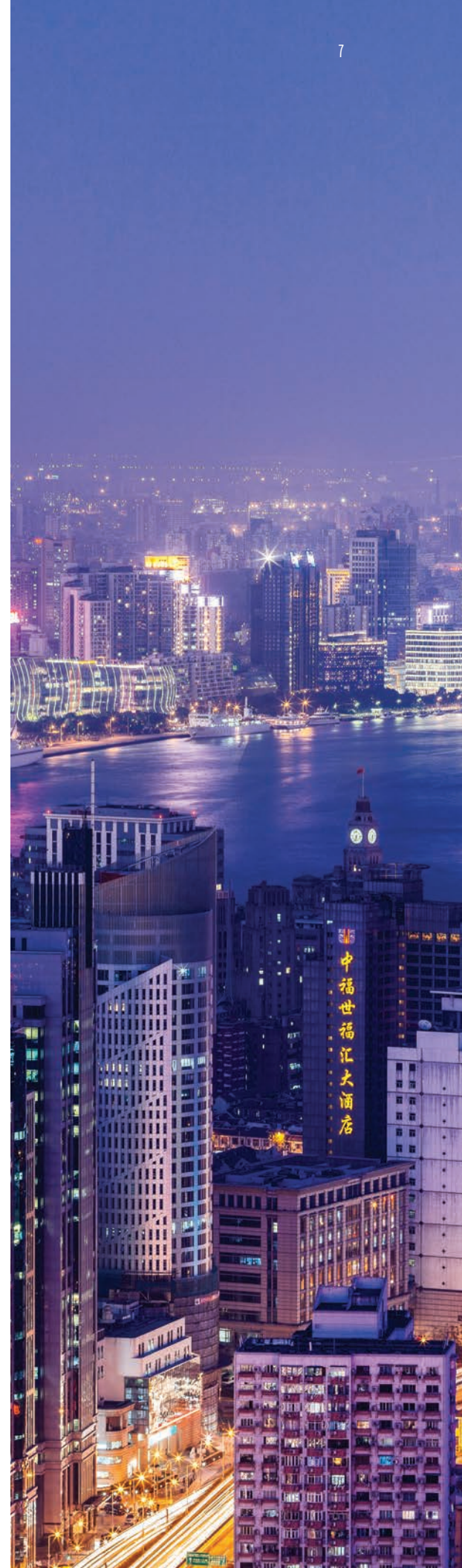
SUSTAINABLE SOLUTIONS



INNOVATION

CITIZENSHIP APPROACH

Our approach to citizenship at Citi continues to evolve as we work to further embed it across the breadth and depth of our core businesses, rather than treat it as a separate silo within the company. We continue to take key steps toward this more thorough, integrated and effective approach.



**CITI IN A GLOBAL CONTEXT:
PURPOSEFUL SOLUTIONS FOR
SOCIETAL PROGRESS**

Our citizenship efforts and priorities across the company are continuously informed by the wider societal context around us. In 2015, we conducted a materiality assessment, which provided us with detailed data and stakeholder feedback on our key issues (see materiality matrix below). This informed and reinforced our priorities, ensuring we continue to focus on the most relevant issues for Citi’s stakeholders and our firm. In particular, this analysis helped us to identify which issues are most important to our business and operations, which are of most relevance to our customers and clients and which broader societal trends matter most to us and our stakeholders.

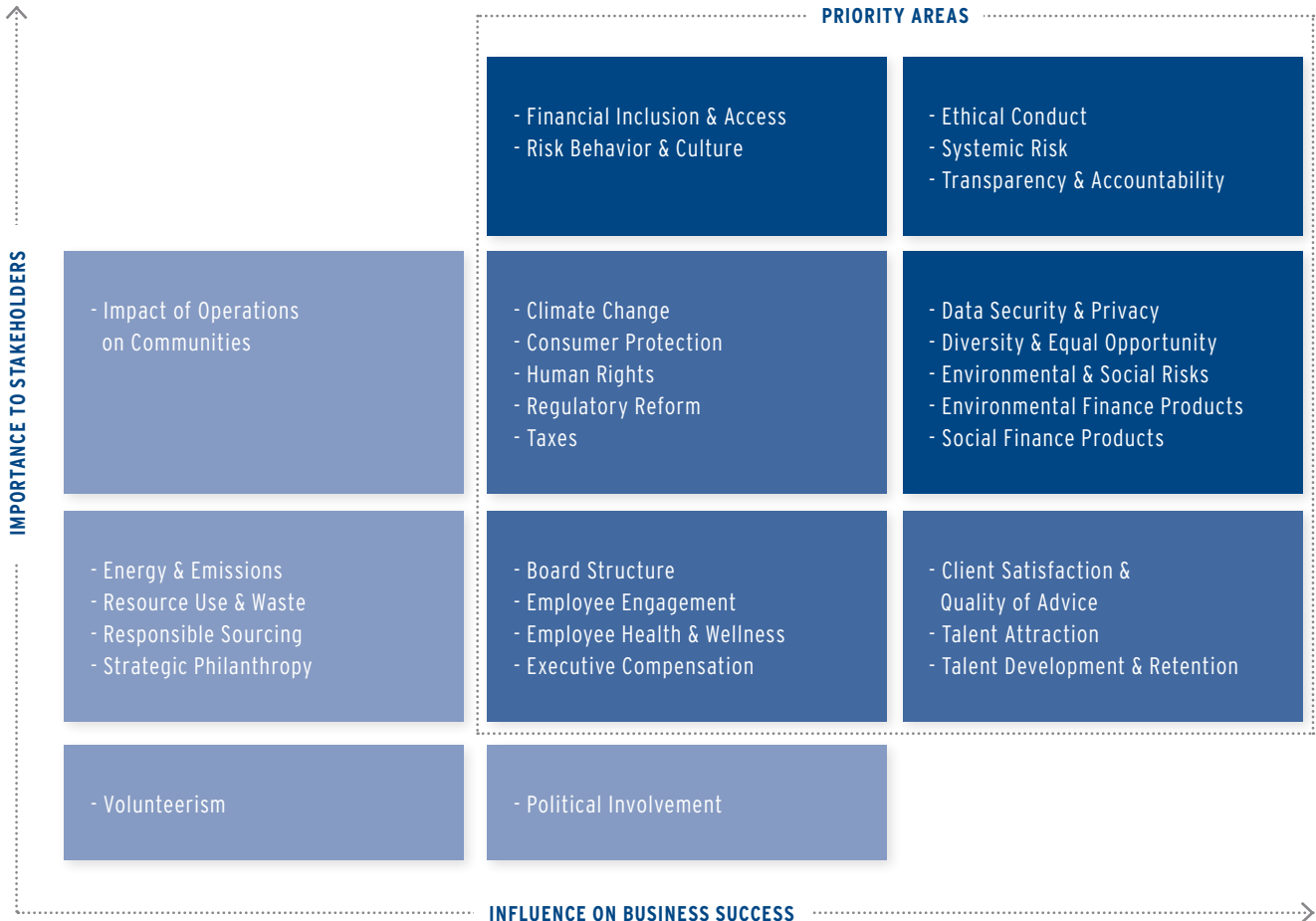
This approach to citizenship issues – thinking about Citi’s impact on clients and customers and society – allows us to embrace the complexity and interconnectedness of our most material issues. We don’t have all the answers, but we continue to evolve our approach to citizenship and set ambitious goals that our global reach can allow us to influence.

GRI indicators:

G4-18, G4-19, G4-20, G4-21

For more detailed information on our materiality assessment and matrix of material issues, please see www.citigroup.com/citi/about/citizenship/strategy.html

Our Material Issues



Citi and the Sustainable Development Goals

In September 2015, the 193 Member States of the United Nations adopted the new *2030 Agenda for Sustainable Development*, including the Sustainable Development Goals (SDGs). This set of 17 universal goals calls on all nations to end poverty, protect the planet and ensure prosperity for all. These goals build upon the Millennium Development Goals but go further in scope, addressing the full range of society’s economic, social and environmental needs.

The corporate sector will play a critical role in achieving the SDGs. Citi’s business efforts and values, as articulated in our Mission and Value

Proposition, are aligned with these goals. Access to financing will be key, and Citi, as a global institution that connects governments, businesses and civil society with capital markets, recognizes that we have an important role to play in financing the SDGs.

The United Nations estimates that developing countries will face an annual investment gap of \$2.5 trillion over the lifetime of the SDGs. Citi’s 200 years of experience meeting the world’s toughest challenges through innovative financing solutions becomes even more relevant in closing this gap.

To highlight specific ways Citi can contribute to achieving the SDGs, throughout this report we explore in greater detail several examples in which our activities are directly contributing to specific SDGs, including:



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CITIZENSHIP GOVERNANCE AT CITI

Governance is an important overall principle at Citi, and it forms the basis of several key structures within our organization. For information on corporate governance at Citi, please see the [Conduct, Culture and Governance](#) section. On this page, we describe the governance structures guiding our Corporate Citizenship and Sustainability functions.

The Nomination, Governance and Public Affairs Committee of the Citi Board of Directors oversees Citizenship activities. Committee responsibilities include reviewing our policies and programs for sustainability, climate change, human rights and other material issues, as well as advising on engagement with major external stakeholders. 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](#).

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

Sustainability Governance

Citi has an Environmental and Social Advisory Council that provides guidance on environmental and social issues related to global business activities, including advising on our ambitious [Sustainable Progress Strategy](#). The council is co-chaired by senior

executives in our Institutional Clients Group (ICG) and includes executives from Banking, Risk, Public Affairs, Operations, Corporate Sustainability and Environmental and Social Risk Management (ESRM). Council meetings are held approximately three times annually. Citi also has a cross-functional Climate and Sustainability Council, based in London, focused specifically on our sustainability performance in the Europe, Middle East and Africa region.

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

REPORTING ON OUR MISSION

Citi is committed to continual improvement in our transparency and disclosure. We use widely adopted reporting frameworks such as the GRI G4 Guidelines and the UN Global Compact to guide our citizenship reporting, and we monitor the development of new reporting trends and initiatives to inform our reporting. For example, after following the development of the UN Guiding Principles on Business and Human Rights and the associated reporting framework, we have implemented that framework to improve our human rights transparency this year. Two other major reporting initiatives that we continue to follow closely are the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board's Standards. The TCFD's final recommendations are expected this summer, and we will consider how they could help guide our reporting on climate change risks in the future.

The Lowline Lab, on the Lower East Side of New York City, served as a testing ground for technology to grow and sustain plants underground, mimicking the conditions of a historic trolley terminal that the Lowline hopes to transform into an underground park. Citi was a founding sponsor of the Lab.



Citizenship Performance Highlights

CONDUCT, CULTURE AND GOVERNANCE



More than **20,000** employees completed in-person and virtual **LEADERSHIP MATTERS: IT STARTS WITH US** training

Implemented our **CONDUCT RISK PROGRAM** across multiple businesses in approximately **44 COUNTRIES**

More than **197,000** employees have completed **ANTI-MONEY LAUNDERING, SANCTIONS AND ANTI-BRIBERY AND CORRUPTION** training

CONSUMER AND CLIENT PROTECTION



More than **119,000** employees globally completed annual training on **TREATING CUSTOMERS FAIRLY**

EXPANDED BIOMETRIC AUTHENTICATION across various Citi products, and implemented voice biometric authentication in customer service centers in multiple countries

TALENT AND DIVERSITY



More than **54,000** employees participated in the pilot phase of the **BUILDING AN INCLUSIVE CULTURE** training on unconscious bias

More than **17,000** employees used formal **FLEXIBLE WORK ARRANGEMENTS**

The Diversity Index, which measures **FOUR KEY METRICS OF DIVERSITY** in the workplace as part of our annual Voice of the Employee Survey, continues at **81% FAVORABILITY**

HUMAN RIGHTS



JOINED SHIFT'S BUSINESS LEARNING PROGRAM

Shift is the leading center of expertise on the UN Guiding Principles on Business and Human Rights

SCORED 100% on the Human Rights Campaign's Corporate Equality Index annually since 2004

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT



REDUCED OUR CREDIT EXPOSURE to coal through the first full year of implementation of our **COAL MINING STANDARD**

Addressed fire prevention practices of **PALM OIL CLIENTS** to assess alignment with industry best practice by updating our **DUE DILIGENCE QUESTIONNAIRES**

Piloted an ESRM Watchlist process to provide an **EARLY WARNING SYSTEM** on clients and transactions that may pose heightened **ENVIRONMENTAL, SOCIAL OR REPUTATIONAL RISK**

OPERATIONS AND SUPPLY CHAIN



Nearly **2,400** suppliers have completed our **CORPORATE RESPONSIBILITY QUESTIONNAIRE** since it was established in 2013

REDUCED ABSOLUTE GHG EMISSIONS BY 28% towards our 2020 goal

Expanded our **LEED-CERTIFIED** real estate portfolio to **20%**

Citizenship Performance Highlights (cont.)

ENVIRONMENTAL FINANCE



FINANCED & FACILITATED \$26.3 B
as part of our \$100 Billion
Environmental Finance Goal

Facilitated
\$5.9 B IN GREEN BONDS
for environmentally
responsible projects

Financed **FIRST-OF-ITS-KIND
PROJECTS** like the Block Island
Wind Farm Project, the first
OFFSHORE WIND FARM in the U.S.

INCLUSIVE COMMUNITIES



Launched the
**CITI FOUNDATION COMMUNITY
PROGRESS MAKERS FUND**,
a two-year, **\$20 M** initiative to
support local organizations
working to build more
sustainable cities in the U.S.

RANKED TOP U.S. AFFORDABLE HOUSING LENDER FOR THE 7TH YEAR

Financed **\$5.75 B** of affordable
housing, totaling nearly
50,000 units

INCREASED SMALL BUSINESS LENDING

in the U.S. to more than **\$11 B**,
raising lending over the last
five years to nearly \$50 billion

FINANCIAL RESILIENCE



Launched **CITIBANAMEX FINANCIAL
INCLUSION**, a unit dedicated to
broadening access to affordable
and appropriate financial products
in Mexico, as part of our new
\$1 B investment in Citibanamex

Piloted the Citi ATM Community
Network, providing **FREE USE OF
CITI'S ATM NETWORK** to over
300,000 CLIENTS of participating
minority-owned banks and credit
unions in the U.S.

Met our Citi Foundation Pathways
to Progress goal to invest
\$50 M AND REACH 100,000 YOUTH
with training, leadership and
entrepreneurship opportunities

Asking, Listening, Sharing

STAKEHOLDER ENGAGEMENT AT CITI

One of the most important ways we fulfill our mission to be a trusted partner to our clients is by constantly engaging with a wide array of stakeholders to share our expertise and perspectives and gain their input and insights. We also engage regularly with relevant media outlets and through social media, in response to direct queries or as a proactive effort to share announcements, updates and information about Citi activities.

With some stakeholders, we actively engage on a range of issues through formal stakeholder dialogues at least once per year. For others, we engage in a more targeted manner on a particular issue or as part of a specific initiative. We have long-standing relationships with leaders on environmental and social issues from whom we seek feedback. Annually, we review our relationships to identify any gaps and consider potential new partners that would be valuable stakeholders for the company and inform our citizenship approach.

We value the input our stakeholders provide and take action to address their concerns.

Citi, along with industry leaders and regulators, participated in the Federal Reserve Bank of New York's workshop focused on improving the culture and behavior of employees in the financial services industry. We also agreed to join six leading financial institutions and a range of stakeholders in a one-day symposium – the start of an ongoing dialogue – regarding the dynamics and impacts of culture at financial institutions.

GRI indicators:

G4-24, G4-25, G4-26, G4-27

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



A panel with representatives from other large companies sharing best practices on diversity in the workplace, including gender.

Stakeholder Engagement Efforts

STAKEHOLDER GROUP	HOW WE ENGAGE	EXAMPLES FROM 2016
Investors	<p>In-person meetings, conference calls, events</p> <p>Investor Relations website and email</p> <p>Annual Report, Proxy Statement, U.S. Securities and Exchange Commission filings</p>	<p>Members of the Board, senior management and the Legal department engaged with investors on a range of topics, including compensation and governance</p> <p>Met with socially responsible investors to discuss corporate governance, data privacy, ethics and conduct, climate change and environmental and social risks</p> <p>Citi senior executives presented at a number of industry conferences for investors and peers</p>
Government and Regulators	<p>Interact with elected officials, policymakers and regulators through in-person meetings, conference calls, lobbying activities, industry associations, public policy forums, press conferences, conferences and convenings</p> <p>Senior Citi executives serve on government councils and committees</p>	<p>Participated on the Consumer Financial Protection Bureau's Advisory Board</p> <p>Participated on the Economic Inclusion Committee of the U.S. Federal Deposit Insurance Corporation (FDIC)</p> <p>Hosted forums with mayors around the world to discuss development, inclusion and climate change issues</p> <p>Citi's CEO participated in 89 meetings with regulators, central bankers and government officials from the U.S. and other countries</p> <p>Board members and senior management engaged regularly with international, federal, state and local government and regulators</p>
Suppliers	<p>In-person meetings, calls, conferences and workshops</p> <p>Corporate Responsibility Questionnaire (CRQ)</p>	<p>Successfully rolled out the CRQ in additional countries across all our operational regions, bringing the total to nearly 100 countries</p> <p>Hosted several supplier summits, during which we offered training on the CRQ to both new and established suppliers</p>
Community Leaders and Nongovernmental Organizations (NGOs)	<p>In-person meetings, conference calls, email, social media, events</p> <p>Citizenship, Community Development and Citi Foundation websites</p> <p>Collaboration with NGOs on issues relevant to their organizations and our business</p>	<p>Served on the board of the UN Global Compact U.S. Network</p> <p>Joined Shift's Business Learning Program to build capacity and receive guidance and expertise related to implementation of the UN Guiding Principles on Business and Human Rights</p> <p>Continued to serve as a founding member of the Asset Building Policy Network, a coalition of the leading civil rights and advocacy organizations in the U.S. committed to coordinating savings, asset-building policy and advocacy at a national level</p> <p>Engaged community leaders and NGOs at Citi Foundation events, including our Pathways to Progress, City Accelerator and Sustainable Cities Initiative gatherings</p>

Stakeholder Engagement Efforts (cont.)

STAKEHOLDER GROUP	HOW WE ENGAGE	EXAMPLES FROM 2016
Employees	<p>Communications via our company intranet, email, mail and in-person meetings</p> <p>Voice of the Employee Survey</p> <p>Trainings (in person and online)</p> <p>Participation in Employee Networks, volunteer councils and Green Teams</p> <p>Performance reviews</p>	<p>88% of employees participated in our annual Voice of the Employee Survey, and overall satisfaction levels remained steady at 76%</p> <p>More than 90,000 employees and friends participated in 1,400+ events across 91 countries and territories and 500+ cities for Global Community Day</p> <p>15,000 employees participated in 140 Employee Networks, and 1,100 participated in 17 Green Teams globally</p>
Clients & Customers	<p>Meetings with key clients</p> <p>Social media, including Customer Service Twitter handles (@AskCiti)</p> <p>Application of Equator Principles and our Environmental and Social Risk Management Policy to client transactions</p> <p>Customer satisfaction surveys</p> <p>Cooperative participation in sustainability organizations</p>	<p>Citi FinTech engaged approximately 2,500 clients in testing and providing feedback on mobile app enhancements</p> <p>Citi's CEO held an average of 39 client meetings per month in cities around the world</p> <p>Used customer surveys to assess utility of newly introduced personalized videos outlining value proposition and benefits for U.S. credit card customers</p>
Other Financial Institutions	<p>In-person meetings, conference calls</p> <p>Engagement through industry groups, roundtables, workshops and events</p>	<p>Member of the Green Bond Principles, including its Social Bond Working Group, and worked on the release of the Guidance for Issuers of Social Bonds document</p> <p>Member of the UN Environment Programme's Finance Initiative (UNEP FI) and partner with other members on Banking Committee projects. In 2016, jointly piloted UNEP FI's Drought Stress Test tool with the National Capital Finance Alliance</p>

HOW WE DO BUSINESS

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

CONDUCT, CULTURE AND GOVERNANCE

In Citi's Mission and Value Proposition, we state that we strive to earn and maintain public trust by constantly adhering to the highest ethical standards.

We include this phrase because we acknowledge that there is work to be done, that our efforts need to be continuous and that even one mistake can undermine trust in our business and our industry overall. Earning trust is hard – rightly so. But we are committed – from our Board of Directors and senior management to each of our employees around the world – to working at it each day. It's what we need to do to be successful as a company, and it is at the center of all of our decisions and actions.

ETHICS GOVERNANCE

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



2016 HIGHLIGHTS



More than
20,000

employees completed in-person and virtual **LEADERSHIP MATTERS: IT STARTS WITH US** training

Implemented our **CONDUCT RISK PROGRAM** across multiple businesses in approximately
44 COUNTRIES

More than
197,000 employees have completed **ANTI-MONEY LAUNDERING, SANCTIONS AND ANTI-BRIBERY AND CORRUPTION** training

INDUSTRY COLLABORATION

Improving bank culture is not an end in itself. It is a means of ensuring that banks fulfill their public responsibility to serve the broader economy. If banks – and the people who work at banks – are not trusted, consumers, companies and governments won't want to do business with us, which would prevent us from effectively performing our critical financial intermediation role.

Improving bank culture also impacts the long-term viability of the industry because it directly affects the acquisition and retention of top talent. The best and brightest – future leaders – will not want to work in an industry if it is best known for its ethical failures rather than the value it provides to the broader economy and society.

We recognize this, which is why we have made a concerted effort to partner with key stakeholders on ways that we can collectively improve culture in the banking industry.

For example, Citi, along with industry leaders and regulators, participated in the Federal Reserve Bank of New York's workshop on culture and behavior in the financial services industry in October 2016. The workshop focused on the roles of supervisors, banks and other industry groups, and institutional investors in improving culture in the banking industry. The conference highlighted the important public purpose of banks and the need for restoring trust in the banking industry.

We also agreed to join six leading financial institutions to organize a one-day symposium to discuss the dynamics of culture at financial institutions. This symposium brought together a range of stakeholders, including senior leaders from across the industry, regulators and experts from academia, to share their insights on financial industry culture. The symposium focused on the industry's shared goals and unique responsibilities regarding culture and conduct. We expect this dialogue to continue and are committed to being a constructive participant.

CITI'S MISSION AND VALUE PROPOSITION VIDEO,

featuring Citi CEO Mike Corbat, is the most viewed video in company history

MORE THAN 20,000 EMPLOYEES

completed in-person and virtual Leadership Matters: It Starts with Us training, which focuses on bringing an interactive, case-based approach to our Ethics and Leadership program to build manager capacity to exercise new leadership habits that transform Citi's culture

EMPLOYEES GLOBALLY

continue to be trained on our Code of Conduct, available in 26 languages

Citi is also a member firm of the Banking Standards Board (BSB) in the United Kingdom. Together with over 30 member firms, Citi supports the BSB's independent role to help rebuild trust and confidence across the U.K. banking industry by promoting high ethical and professional standards for behavior and competence. We remain engaged with the BSB directly through Citi's U.K. senior management. James Bardrick, Citi's Chief Country Officer for the U.K., has been a BSB Board member since its inception.

REINFORCING CONDUCT AND CULTURE AT CITI

Embedding values requires time, senior leaders who serve as role models and advocates, clear and consistent communications, and forums that allow for candid exchange, learning and development. To promote ethical conduct and enhance Citi's culture, we focus on both empowering individuals and creating firmwide policies and programs that embed our values throughout the organization. Over the past year, we have focused on reaffirming our values and delving deeper into how to adhere to the high expectations of stakeholders for ethical and professional behavior in our industry. We have also worked to help all of our employees understand what is required to meet those expectations. Citi's Leadership Standards outline behavioral expectations of employees that align with our Mission and Value Proposition.

Conduct Risk Program

Our global Conduct Risk Program is a key part of the effort to embed and embody Citi's core values and high standards of ethical behavior into our business strategy. We continue to implement this global program across businesses and control functions to manage and mitigate instances of conduct risk, including intentional or negligent actions of employees or agents that may lead to negative outcomes for customers, clients and markets. In 2016, Citi implemented the program across multiple businesses in 44 countries, and many other businesses and countries are scheduled for program implementation in 2017.

Importance of Escalation

Throughout 2016, we emphasized with all of our employees globally the importance of escalating issues that may pose significant risk to Citi. These communications reinforce the principles embedded in Citi's global Escalation Policy, including employees' obligation to escalate potentially significant risks, how to identify these risks and what channels are available for their escalation. These channels include, among others, management, Human Resources or labor relations representatives, internal legal counsel, a designated compliance officer and the Ethics Hotline. Communications from senior managers both globally and at the individual business level have reinforced these principles. We also released a video to our global workforce in December 2016 that highlights the importance of escalating significant risks.

Code of Conduct

Citi's Code of Conduct (Code), updated in October 2015, outlines the standards of ethics and professional behavior expected of employees and representatives of Citi when dealing with clients, business colleagues, shareholders, communities and each other. Individuals performing services for Citi may also be subject to the Code by contract or agreement. The Code is publicly available in 26 languages and reinforces the message that adherence to our core values and principles is every employee's responsibility. Biennially, Citi employees are required to complete Code of Conduct training intended to help them better understand their responsibility to make the right ethical choices, their obligation to promptly report actual or suspected misconduct and to know to whom concerns should be reported. We offer separate training for non-employee workers who have access to Citi systems. The Code is approved by the Ethics and Culture Committee of Citi's Board of Directors.

Ethics Hotline

Citi's Ethics Office provides multiple channels for employees, customers, suppliers and other third parties to raise ethics concerns. Concerns may be submitted in multiple languages via a toll-free number available 24/7, email, fax, mail or website submission. All concerns are treated as confidentially as possible, consistent with the need to investigate and address the matter. Concerns may be raised either anonymously or with attribution, subject to applicable laws and regulations. Further, Citi prohibits any form of retaliation against anyone who raises a concern or question in good faith, or who participates in an ethics investigation.

MANAGING COMPLIANCE RISK

The Compliance Risk Management organization is responsible for helping to drive a culture of ethical conduct at Citi by establishing policies, programs and procedures that guide and support our employees in making ethical decisions and adhering to the appropriate standards of conduct. Through an integrated compliance risk management framework, this group protects Citi by setting standards; providing guidance, training and advice to our businesses regarding compliance risk; and driving ownership and accountability for managing compliance risk in accordance with Citi standards across the firm. Managing compliance risk is the responsibility of all of our employees and requires not only adherence to applicable laws, regulations, policies and relevant standards of conduct, but also the promotion of business behavior and activity that is consistent with the values and conduct expectations outlined by our Mission and Value Proposition, Leadership Standards and Code of Conduct. Citi's global Compliance organization is headed by our Chief Compliance Officer, who reports directly to Citi's Chief Executive Officer and provides regular reports on the performance of the compliance program to Citi's Board of Directors, including the Audit and Ethics and Culture Committees.

Anti-Bribery and Corruption Program

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

We have written policies, procedures and internal controls reasonably designed to comply with anti-bribery laws. We conduct an annual 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 provide our staff with anti-bribery and corruption training annually and supplement it with targeted training and communications as needed. We give staff multiple ways, including the Ethics Hotline, to escalate instances of corruption and to prompt investigations where necessary. Citi's Anti-Bribery and Corruption Program is overseen by our Chief Compliance Officer.

Sanctions Program

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

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

Anti-Money Laundering Program

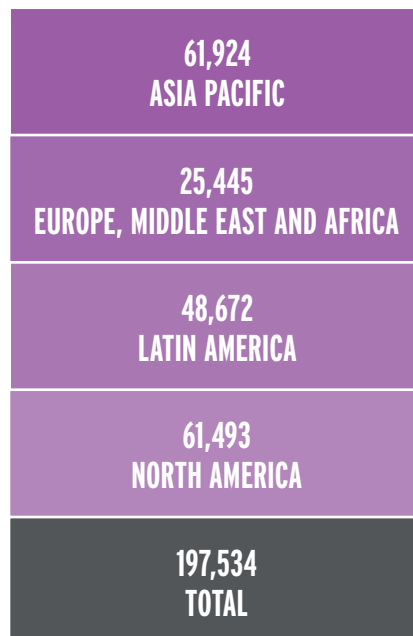
One of our most important obligations is to protect the integrity of the global financial system. Our Anti-Money Laundering (AML) Program helps protect our clients, businesses and the financial system from the risks of money laundering and terrorist financing through a robust, globally consistent program.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

The program centers on:

- **Prevention:** Citi's Global Know Your Customer Program is the cornerstone of our AML Program, enabling us to effectively evaluate the potential risks associated with each client relationship and ensure that we adhere to globally consistent policies and standards, customer risk scoring and onboarding.
- **Detection:** We monitor transactions to identify unusual or suspicious transactions, behaviors or patterns of activity across our global footprint. Our AML investigations unit reviews transactions of new and existing clients across businesses and regions.
- **Reporting:** We create, track and file Suspicious Activity Reports, Suspicious Transaction Reports and Currency Transaction Reports, as required in many countries.
- **Governance:** Our enterprisewide controls govern the overall program, including global AML policies, processes, testing and training. Citi's Global AML Program Head and Bank Secrecy Act Officer is responsible for overseeing the program, including apprising the Board of Directors and senior management of AML initiatives, any significant deficiencies and the reporting of suspicious activity.

Globally, we have more than 4,300 AML professionals, including over 400 designated AML officers covering every Citi business, function and geographic area. These specialists help us effectively execute the program and meet our AML-related requirements. The global program is supported by the Compliance, Finance, Legal, Risk and Internal Audit functions. In 2016, we centralized our AML efforts into a single, comprehensive function, including both compliance and operations, to support the evolution of our AML Program with increased sophistication, effectiveness and efficiency.

Number of Employees Who Completed Citi's 2016 Anti-Money Laundering, Sanctions and Anti-Bribery and Corruption Training, by Region*



* AML, Sanctions and Anti-Bribery and Corruption training is a combined online training. Numbers include all Citi staff who completed the 2016 training as of January 24, 2017. Employees and non-employee workers have 30 days to complete it.

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

We emphasize strong internal controls and transparency with global tax authorities and share information relevant to our tax profile. We supplement this transparency with additional country-by-country reporting, which is required under the Organisation for Economic Co-operation and Development (OECD) action plan to address base erosion and profit shifting.

Citi complies with reporting and withholding requirements imposed globally on financial institutions in connection with customer transactions they intermediate. We have implemented systems and processes to comply with the Foreign Account Tax Compliance Act and are phasing in compliance with the Common Reporting Standard as it becomes law in approximately 90 countries. Citi has implemented the Common Reporting Standard in all applicable 2016 early-adopting countries where local implementing guidance has been issued. Similarly, we have a firmwide policy applicable to customer transactions under which Citi will only engage in a transaction where there is a high degree of certainty that any tax aspects will be accepted by the respective taxing authorities.

CORPORATE GOVERNANCE

Our governance structures, policies and processes serve employee, client and community needs, promote a culture of accountability and ethical conduct across our firm, and are publicly available on our [website](#).

Board of Directors and Committees

Our Board aims to have at least two-thirds of its membership as independent directors. Currently, 86 percent of the board is independent. Additionally, the Chairman of the Board is a nonexecutive independent director. As of January 2017, the standing committees of our Board of Directors are:

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

All Board committees play a role in providing oversight of our efforts to ensure responsible business practices. For example, the Personnel and Compensation Committee reviews all compensation programs, including incentive compensation, to ensure that they do not, among other things, encourage imprudent risk-taking. The Nomination, Governance and Public Affairs Committee oversees Citi's global citizenship and sustainability activities and performance. Our Ethics and Culture Committee reflects our commitment to promote a strong culture of ethical conduct. This committee is highly engaged and in continuous dialogue with management. To review the responsibilities of each of the committees of our Board of Directors, see our [board charters](#).



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](#).



PUBLIC POLICY

We engage directly, and indirectly through trade associations, with governments and elected officials around the world to advocate public policies that support the interests of our company, clients and employees in the countries and regions where we operate. In 2016, guided by our [Political Activities Statement](#), which ensures compliance with all applicable laws and regulations, we promoted policies and positions on issues such as trade, cyber security, data localization, tax and financial reforms. Government Affairs team members complete annual compliance training, conducted by outside experts, on campaign finance, lobbying and gift/entertainment rules.

Under U.S. Federal Election Commission rules, Citi's Political Action Committee pools the voluntary contributions of employees to support U.S. political candidates and campaigns that support the financial industry and complementary pro-business policies. This support allows us to take an active role in our country's political process, promote our business goals and strengthen relationships with policymakers. Annually, we disclose our U.S. political contributions [online](#), and contributions are reviewed by the Nomination, Governance and Public Affairs Committee of the Board.

We also provide extensive disclosure about our practices pertaining to political contributions and lobbying activities, as well as a regularly updated list of our significant trade and business associations, on our [Corporate Governance webpage](#).

WHAT'S AHEAD

Our employees need to have the skills and support to make sound decisions and take actions that preserve our culture of integrity, every day, across the globe. Our work in promoting an ethical culture is ongoing, as the challenges our business faces grow ever more complex.

At the same time, questions around the trustworthiness of banks remain, and there is more to be done to articulate how we, along with our peer institutions, place a premium on our respective cultures and expectations for appropriate conduct.

This work will continue day in and day out, as we focus on working to earn, maintain and safeguard the trust of our shareholders, customers, clients and the public at large.

CONSUMER AND CLIENT PROTECTION

Establishing Citi as a trusted partner to our clients is foundational to our ability to facilitate economic progress around the world and ensure that the banking system in which we operate remains robust and trustworthy. Citi works to earn and maintain that trust every day by safeguarding our customers' assets and information and conducting business in a responsible, ethical way.

INFORMATION SECURITY

With ever-increasing threats from a host of actors globally that use technology in an effort to stay ahead of law enforcement, our customers expect us to protect their assets and personal information from these risks every day without imposing burdensome security measures on them.

As a result, data security and privacy are a top priority for Citi and for many of our key stakeholders and are among our most material issues. Citi's Global Information Security Program employs an approach that couples information gathering and data analysis with forensics to inform strategic decisions. Our approach rests on having the right technology, systems, policies, processes and talent in place to prevent, detect, respond to and recover from cyber threats quickly. We conduct regular information security risk assessments and trainings and have internal controls to prevent information security breaches. We have developed stringent policies, employ robust technologies to protect

our data and systems, and have built a strong, well-trained team that includes former law enforcement. Citi's Global Information Security Program enabled us to effectively detect and respond to any incidents targeting our systems in 2016, but we remain vigilant as such threats persist. Our program is accredited by the British Standards Institution, and Citi is the first major financial institution to have its Global Information Security Program ISO 27001 certified. Our Global Information Security Program is also regularly examined by regulators as well as internal and external auditors.

Citi also collaborates with external stakeholders to raise the security of the industry. We work with our clients, competitors, governments, law enforcement and intelligence agencies to share best practices and conduct joint cyber resilience exercises. Our security teams also study information security challenges across industries to learn how to strengthen our internal practices and respond to problems quickly.

2016 HIGHLIGHTS



More than

119,000

employees globally completed annual training on

TREATING CUSTOMERS FAIRLY

EXPANDED BIOMETRIC AUTHENTICATION

across various Citi products, and implemented voice biometric authentication in customer service centers in multiple countries

Reinforcing our culture of ethics and responsibility, the Audit Committee of the Board of Directors oversees the development, implementation and maintenance of Citi's Information Security Program. The program is managed by the Chief Operations and Technology Officer and the Chief Information Security Officer on a global, enterprise basis, and the Chief Executives of each business sector and region are responsible for implementation and compliance with program procedures and requirements. Annually, we provide our employees with training on how to properly handle personal information and how to maintain the security and privacy of information when working with companies that provide services to us.

PRIVACY

The fair, ethical and lawful collection, use and processing of customers' personal information is essential to build trust, provide best-in-class services and achieve our corporate objectives. To help meet this goal, Citi has established a dedicated Chief Privacy Office team led by a Chief Privacy Officer. The Chief Privacy Office team leads the Citi Global Privacy Program, which is overseen by the Citi Global Privacy Committee. The program provides a framework for effectively and efficiently overseeing and coordinating the management of privacy and confidentiality risks. Our Privacy and Confidentiality Policy articulates the principles for the collection, use, sharing and disposal of Personally Identifiable Information (PII) and Customer Data in accordance with its disclosures and applicable laws and regulations. We provide transparency on our practices and also offer customers choices with respect to how their personal information may be shared. We ensure that customers participate in the management of their PII where legally required, such as confirming their preferred method of communication, reviewing and correcting information and opting out of marketing solicitations. For related information, download our [Code of Conduct](#).

CASE STUDY

"ETHICAL HACKERS" PROTECTING OUR CLIENTS

Some estimates indicate that data breaches could cost businesses more than \$2 trillion globally by 2019,¹ and cyber criminals don't limit their attacks to large institutions such as Citi – they can also target individuals. We work proactively behind the scenes to protect our clients from the ever-increasing and complex threat of cyber crime.

Since 2001, we have had a small team of specialists testing Citi's electronic safety and safeguards. That team has now grown to 100 full-time "ethical hackers" who view Citi's offerings from the perspective of cyber attackers, identify security holes that need to be plugged and stay current on the cutting edge of technology. This team's focus has evolved beyond protecting against current attacks to also proactively guard against future ones by evaluating new products and services to ensure that they are as safe and secure as possible before being rolled out.

¹ "Cyber Crime Costs Projected to Reach \$2 Trillion by 2019," *Forbes*, January 2016.

INNOVATING ACCESS

As the flow of information moves increasingly to digital platforms, we are using sophisticated technology to provide a streamlined, secure banking experience for our consumers even when they are on the go and using mobile platforms. For example, in 2016 we expanded biometric authentication across various Citi products, and implemented voice biometric authentication in customer service centers in Australia, Hong Kong, Singapore, Taiwan and the U.S. This technology allows us to verify customers' identities within 15 seconds or less as they explain their reason for calling. We are continuing to explore how a range of biometric authentications, such as fingerprint, voice and facial recognition, can create a better, faster and more personal experience for clients – giving our customers more secure options to access their accounts.

In addition, we work to ensure that our products and services are designed and accessible to our clients' varied needs and preferences. For people with disabilities, Citi offers braille and talking ATMs, large print and braille statements and raised line checks. We also offer TTY or Text Telephone for the hearing impaired. Recognizing that we serve diverse populations, many of our services are provided in multiple languages.

TREATING CUSTOMERS FAIRLY

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

The TCF Program provides a globally consistent framework for analysis of consumer fairness concerns and a model for managing emerging risks for our Consumer Bank. Citi's Business Practices teams have established formalized escalation processes to facilitate

consistent, timely and appropriate identification, analysis and escalation of potential consumer fairness, reputational and franchise risk issues. Global Consumer Bank employees are required to complete an annual fairness training program to ensure they understand how to identify issues of fairness and how fairness influences real-world results. In 2016, more than 119,000 Citi employees around the world completed the course.

RESPONSIBLE MARKETING

Ensuring that we provide clear marketing for our products and services and that our products responsibly meet the needs of our clients are priorities for Citi as we work to effectively manage conduct risk throughout the company. See [Conduct, Culture and Governance](#) for more on conduct risk. For example, as part of our customer-centric approach to communicating with customers in a simple and easy-to-understand manner, our Global Consumer Bank's U.S. Branded Cards business launched targeted video messages in 2016. These personalized communications have enabled us to visually demonstrate features in a clear and compelling way that is customized to individual customers. This new content has been well received by customers, who indicate through customer surveys that it has led to increased comprehension of key topics.

For new U.S. credit card customers, we introduced these personalized videos as part of the new cardmember welcome kit for Citi Online and Citi Mobile. These videos provide straightforward information to cardmembers about their new card's value proposition and benefits and how they can manage their account and make payments online. After watching the videos, 89 percent of customers who responded to a survey said they better understood their new card's benefits.

In addition, we launched yearly personalized videos for existing cardmembers to re-educate them on their card's value proposition and benefits. Of those customers who watched the videos and responded to our survey, 83 percent said they better understood their card's benefits.

CITI'S FAIRNESS PRINCIPLES

1. WORKS AS DESCRIBED
Customers can predict how the product or service will work

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

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

4. EASE OF UNDERSTANDING
Customers understand the terms and conditions of the product or services (particularly any limitations or exclusions)

These initiatives are just some examples of our firmwide commitment to ensuring that our activities are in the best interest of our clients. More broadly, new products are approved by cross-functional committees that include senior executives from Risk, Legal, Compliance and other relevant units, supported by specialists from other Citi units, such as Fair Lending, as needed. Citi marketing materials are reviewed by our Compliance and Legal departments to ensure that products are clear, fair and comply with applicable laws, regulations and Citi policies.

CUSTOMER FEEDBACK AND SATISFACTION

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.

When customers indicate through surveys that they have unresolved service issues, our team uses a closed-loop feedback process to follow up and resolve the problems. In addition to responding to specific customer concerns, we've established a "listening command center" that proactively identifies emerging issues that arise through multiple channels, including social media, phone, chat and email. Using data analytics, we work to understand the root causes of the problems so we can take corrective actions to avoid them in the future. These corrective actions can range from policy changes to improvements in particular customer touch points, such as websites or call centers.

In addition to tracking customer satisfaction through the activities just mentioned, we use the Net Promoter Score (NPS) system, which measures customers' willingness to recommend Citi to others. In recent years, we've revamped our approach for capturing customer feedback through a new survey platform and reporting tool, through which we measure our NPS. We use standard metrics and processes across our company to compare regional performance and surface best practices and problem areas we can learn from. We are continuing to build and roll out dashboards that enable us to review survey results and customer feedback in near real time. The dashboards help us see and act upon customers' feedback more quickly, and many managers use them to closely monitor feedback in our major markets and service channels.

WHAT'S AHEAD

We are in a period of transformation in banking services. The speed to market of various mobile solutions is only increasing, as banks compete with startups and disruptors. It's those who are listening to their customers to understand their needs, adapting products and services and continuing to push innovative, secure solutions, that will truly be successful.

We don't expect threats from various actors to dissipate. We know that we must continue to protect the privacy and security of our customers' information. At the same time, we continue to develop innovative digital solutions that make it easier for customers to have the services they demand, while maintaining the security they rely on.

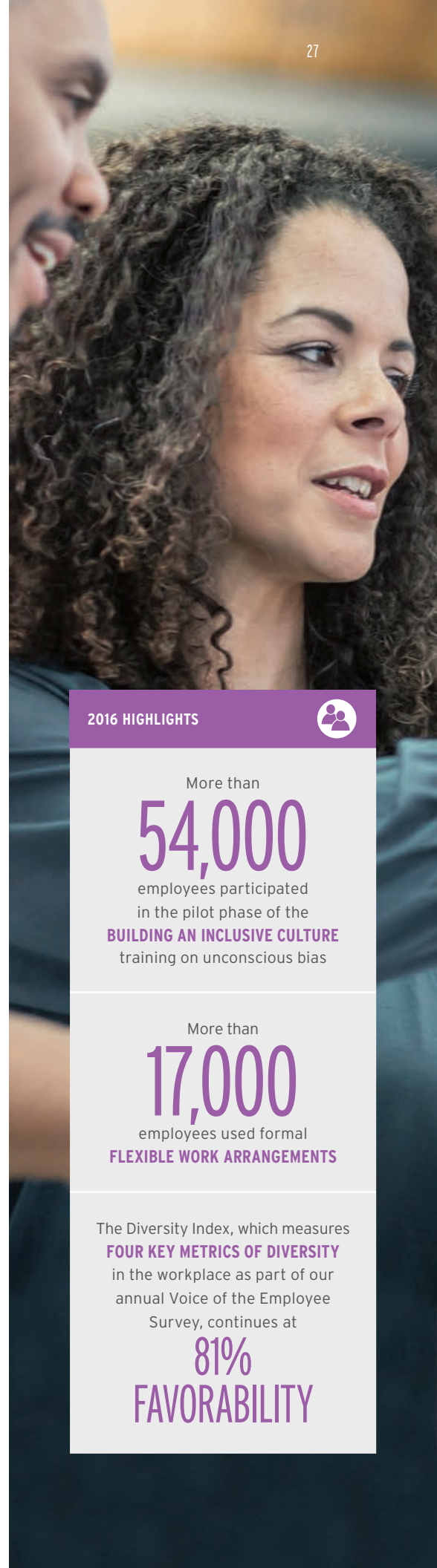
TALENT AND DIVERSITY

At Citi, we value our employees, who span a wide range of backgrounds and perspectives from over 100 countries. We come to work every day to serve as a trusted partner to our clients by responsibly providing financial services that enable growth and progress. Our success rests on our ability to create an environment that supports the personal and professional growth of our employees, one where they can be themselves.

We are a global company and welcome people of every cultural background, gender, race/ethnicity, generation, sexual orientation, and gender identity or expression, as well as military veterans and people with disabilities. We strive to treat all employees fairly and with respect and hold them accountable for maintaining our standards of excellence. Our senior leaders are deeply invested in ensuring that employees experience a diverse and inclusive culture. Each of us has a responsibility to create an environment where all employees are comfortable to contribute, be themselves at work and deliver their best for clients.

We also aim to ensure that our environment fosters opportunities for growth for our employees, through exposure to our global businesses and products and continually enhancing the programs and resources available to them to support their careers.

By embracing a variety of views and enabling employees to develop their skills, we drive growth and innovation for our clients and communities. For Citi, diversity and developing our talent are business imperatives.



2016 HIGHLIGHTS



More than
54,000

employees participated in the pilot phase of the **BUILDING AN INCLUSIVE CULTURE** training on unconscious bias

More than
17,000

employees used formal **FLEXIBLE WORK ARRANGEMENTS**

The Diversity Index, which measures **FOUR KEY METRICS OF DIVERSITY** in the workplace as part of our annual Voice of the Employee Survey, continues at

81%
FAVORABILITY

A DIVERSE AND INCLUSIVE CULTURE

Citi’s culture supports our mission of enabling growth and progress. Leadership matters – our culture is not just who we are and what we believe; it's how we lead in everyday moments. Holding ourselves and each other to the highest standard is part of our commitment to operating in our clients’ best interests, driving economic value and minimizing risk.

MANAGING DIVERSITY AT CITI

Holding ourselves to the highest standards means setting the tone from the top: our most senior leaders view themselves and others as accountable for enabling an equitable and inclusive culture where we proudly reach our fullest potential.

We’ve created clear measures of accountability for leaders at all levels. This starts with the CEO’s leadership team, who co-chair (along with other senior leaders in the business, functions and regions) each of our Affinity groups (Asian Heritage, Black Heritage, Citi Women, disAbility, Generations, Hispanic/Latino Heritage, Military Veterans, Multicultural, Parents, Pride).

These Affinity groups are designed to ensure that we understand, appreciate and leverage the uniqueness of our entire employee base. Under this new model, we launched Black Heritage, Citi Women and Pride in the beginning of 2017 and will continue to establish the rest throughout the year. We are developing targeted strategies, tailored to the needs of each Affinity, based on a deep analysis of

“I was the first ‘little person’ to work here in the Citi Center. Citibank always made sure that I had adequate conditions in order to carry out activities as needed, and with the help of leadership, continue with the necessary actions for continued growth in my career.”

- ARIETE GEMELGO ANGOTTI,
Fund Accounting Specialist,
ICG Operations and Technology,
São Paulo

2016 CONSOLIDATED U.S. EMPLOYER INFORMATION REPORT (EEO-1)*

Job Categories	Gender	Hispanic or Latino	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Multi-racial	Total
Executive/ Senior Managers	Male	4	37	1	0	6	0	0	63
	Female	1	12	0	0	2	0	0	
First/Mid-Level Managers	Male	776	4,455	266	14	1,283	9	28	11,559
	Female	679	2,973	414	9	601	15	37	
Professionals	Male	1,643	8,489	847	23	3,781	41	117	25,935
	Female	1,478	6,061	1,086	14	2,222	26	107	
Technicians	Male	157	371	51	2	48	1	3	1,696
	Female	224	614	144	1	65	4	11	
Sales Workers	Male	682	1,725	224	8	443	10	31	5,480
	Female	628	964	253	18	468	7	19	
Administrative Support	Male	1,423	3,633	948	20	383	28	84	24,716
	Female	3,640	10,104	3,198	44	910	82	219	
Craft Workers	Male	2	2	9	0	2	0	0	22
	Female	2	3	2	0	0	0	0	
Operatives	Male	0	8	4	0	1	0	0	18
	Female	0	2	1	0	2	0	0	
Laborers	Male	0	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0	
Service	Male	7	34	1	0	5	0	0	69
	Female	3	15	1	1	2	0	0	
Total	Male	4,694	18,754	2,351	67	5,952	89	263	69,558
	Female	6,655	20,748	5,099	87	4,272	134	393	

*As of July 1, 2016. Certain numbers have shifted from last year due to alignment of positions in job categories.

our representation and engagement data and qualitative input from our 140 Employee Networks. To further enable our commitment, we've combined the Talent and Diversity organizations to ensure that diversity is embedded – and measured – in all our talent processes and initiatives and that our diversity and talent efforts are consistently linked with our business strategy. Our Diversity Operating Committee, made up of senior diversity human resource leaders, ensures our programs and policies advance our culture and inclusion goals, and our Board of Directors reviews our progress and priorities annually.

Research and experience both confirm that when a company embraces diversity, the most talented people are not just attracted to joining the company, but are also much more productive and motivated to stay. Maintaining a truly diverse environment has been proven to be a leading indicator of the quality of our culture in addition to being an effective way of connecting to an equally diverse client base.

We believe that we are all accountable and responsible for promoting inclusion and work to continually enhance our capabilities.

Employee Networks

Citi Employee Networks are 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 140 networks in 63 locations across 36 countries, with 15,000 members aligned to our Affinity groups.

Diversity in Our Leadership Standards

Our Leadership Standards set the expectations we have of all our leaders. These standards are now linked to our director and managing director promotion criteria, our performance management process and our recruitment efforts. As an example, we use these standards as a frame

for evaluating candidates during the interview process. By integrating these standards into our everyday practices, we continue to foster a culture of diverse and inclusive leadership.

REGION	TOTAL CHAPTERS
NAM	79
LATAM	11
EMEA	34
APAC	16

NETWORKS	TOTAL CHAPTERS
BLACK HERITAGE	8
ASIAN HERITAGE	5
DISABILITY	9
GENERATIONS	4
HISPANIC/LATINA HERITAGE	7
MILITARY VETERANS	16
MULTICULTURAL	5
PARENTS	12
PRIDE	21
WOMEN	53
TOTAL	140

*As of December 31, 2016

Addressing Unconscious Bias

Another critical aspect to building the right culture is addressing unconscious bias in the workplace, which is an area where we continue to invest and focus. We developed and launched a training that enables participants to understand the business case for an inclusive work environment, recognize unconscious bias and take actions to improve on-the-job decision making to support Citi's culture of leadership, ethics and inclusion. Over 54,000 employees participated in this Building an Inclusive Culture training in its pilot phase in 2016, and the program will be made available to all employees in 2017.

Diversity in Our Hiring Practices

While the training of our current employees is important, we have also focused on our hiring practices to ensure that diversity is embraced throughout

the process. For managing director and director level hires, we continue to leverage diverse slates, ensuring that women globally and/or racial and ethnic minorities in the U.S. are interviewed for our open roles. In 2016, 71 percent of interview slates for managing director and director roles included at least one diverse candidate. Also, we launched diverse interview panels in 2016 to ensure the diversity of our interviewers who represent Citi. In our inaugural year, 74 percent of managing director level hires were interviewed by a panel with at least one diverse panel member. These practices are important levers for us to ultimately achieve our goal of increasing representation of women and U.S. minorities.

We are also utilizing technology to help us build a diverse and inclusive workforce. Our campus recruiting team has deployed a comprehensive dashboard and is testing and validating predictive talent models, in order to more effectively – and more rapidly – identify and recruit the right people.

"Mentoring has helped me to be a better manager. Mentoring programs like the one supported through Citi Women's Network Hong Kong often focus on the impact on the mentee, and rightfully so, but the impact on the mentor should not be overlooked. Along with the satisfaction of assisting a colleague in navigating the complicated process of career development within Citi and the broader industry, the program gives mentors a fantastic opportunity to see a familiar industry and professional environment from a different point of view. That renewed perspective is so valuable. To be good managers, it's critical that we understand – and appreciate – different generations, career paths, business roles, lifestyles and aspirations."

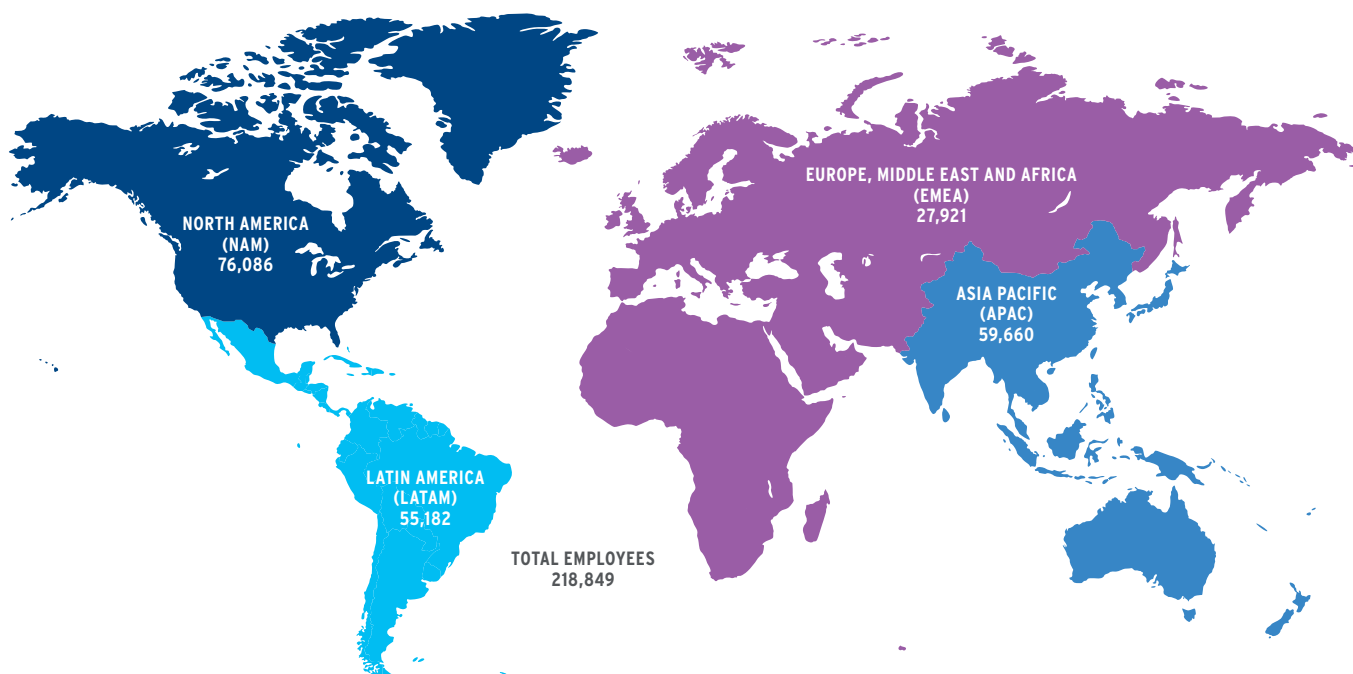
- ADAM COWPERTHWAITTE,
 Managing Director, Head of Equity Asia Pacific, Citi Private Bank, Hong Kong

Workforce Data

EMPLOYEES BY EMPLOYMENT TYPE

Employees	218,849		
Non-Employees	13,688	Full Time	214,452
Total Workforce	232,537	Part-Time	4,397

EMPLOYEES BY REGION



		GENDER		REGION				
		Male	Female	APAC	EMEA	LATAM	NAM	
New Employee Hires	#	43,761	21,013	22,748	10,808	4,434	11,568	16,951
	Rate	20.0%	19.40%	19.9%	17.9%	1.5%	60.5%	22.4%
Employee Turnover (Voluntary)	#	31,184	14,872	16,312	9,577	3,249	7,674	10,684
	Rate	14.0%	13.8%	14.3%	15.8%	11.2%	13.3%	14.2%

WORKFORCE WELL-BEING

We are continually evaluating the tools and resources available to support the well-being of our global workforce. We recently enhanced our Paid Pregnancy Leave Policy in the U.S. and Puerto Rico. As of January 1, 2017, Citi employees who have been with the company for at least one year have access to 16 weeks paid leave as the birth mother (up from 13 weeks) and eight weeks Paid Parental Leave for all other parents in connection with the birth or adoption of a child (up from two weeks).

Nearly one-third of Citi employees leverage our formal or informal flexible work arrangements, contributing to employee satisfaction and retention, increased productivity, business continuity and more efficient use of work space. Our formal flexible work program, Citi Work Strategies, has more than 17,000 employees enrolled, allowing them increased opportunity to meet their personal and business needs, and includes options for part-time work and job-sharing.

Our Live Well program helps employees and their families achieve their health goals and includes resources that are free, easy to use and available for employees, whether or not they are enrolled in a Citi health plan. Our Save Well plans guide our employees in building financial stability and saving for retirement.

We rely on our global workforce to be actively engaged in the communities in which they live and work. In 2016, Citi volunteers contributed close to 940,000 volunteer hours in communities around the world. Citi’s Global Community Day, our annual day of service for employees, friends and family, is an important way in which we enable progress through service. Close to 90,000 volunteers participated in events held in more than 500 cities and 91 countries. Through Pathways to Progress, our Citi Foundation commitment to supporting career readiness in young people, over 2,000 Citi employees play in an integral role in acting as volunteers, mentors and coaches.

DIVERSITY AT A GLANCE

- 51% of our workforce is female

- 44% of our U.S. workforce are minorities

- 24% of our managing directors and directors globally are female

- We have 22 female country officers, up from 19 in 2015

- 27% of our U.S. managing directors and directors are minorities

SUMMARY OF TRAINING HOURS

	2012	2013	2014	2015	2016
INSTRUCTOR-LED	5.2M	5.8M	5.6M	5.7M	5.0M
WEB-BASED	5.3M	5.1M	5.0M	4.8M	4.8M
OTHER	0.16M	0.23M	0.02M	0.05M	0.04M
TOTAL	10.6M	11.2M	10.8M	10.5M	9.9M
TRAINING HOURS/EMPLOYEE	40	44	45	46	45

“When I began my Diversity Leadership Program (DLP) journey, I knew I was going to be part of something special. The DLP alumni testimonials were consistent-the program was going to contribute to fine-tuning executive presence, hone in on strategic communication skills, and provide access and visibility to some of the most senior leaders of the firm. The most valuable lesson for me was better understanding my leadership style and the importance of how that style is perceived by others. This lesson was critical for me to make a successful transition to director with increased responsibility within the TTS business. DLP heightened my self-awareness and helped me create a framework of self-reflection that I continue to utilize today.”

- CRISTAL CHUNG,
North America Market
Management Head for Financial
Institutions, Treasury and Trade
Solutions (TTS), New York

“Participation in Citi’s Pride Network may be a small act in the scheme of things, but with the world as it currently is I believe it is more important than ever for individuals to show their views through action. The confluence of some great Pride Week speakers and the emerging social rhetoric motivated me to become more involved in our Pride Committee, at first attending as an ally and recently being elected to the Steering Committee. It made me realize that if I want my workplace, environment and country to evolve into the type of culture I believe in, then I need to be active in shaping that.”

- SARAH DAVIES,
Management Associate,
Global Consumer Banking,
Sydney

LEARNING AND DEVELOPMENT

We have continued to focus on enhancing our learning experience for our global employees by shifting to more flexible, cloud-based learning solutions. These platforms enable our employees to focus on topics important to their growth, when and where it is most convenient for them through mobile access. The delivery of this digital content has been greatly enhanced and offers a more engaging experience to connect with expert content through videos, tools, checklists and assessments. One of our partnerships in this space is with Udemy, one of the largest producers of educational “how-to” videos. Udemy offers a range of business courses developed by industry experts. In just one year, Citi employees (part-time and full-time) viewed nearly 50,000 hours of Udemy training content. In 2016, 100 percent of Citi employees received some form of training.

We also have a range of internal programs focused on developing our leaders at all levels. For example, in our Institutional Clients Group, the Diversity Leadership Program is a six-month program for high-potential women and minority vice presidents who have access to workshops and individualized coaching and sponsors to help build their confidence, executive presence and strategic skills. To date, 204 individuals have participated in the program.

There are also three High Potential Accelerator programs across our Global Consumer Banking business focused on developing leaders who have the potential to take on more complex leadership positions and critical roles in the future. The three programs target emerging leaders to executive-level leaders, each with a different focus, ranging from fostering greater cross-business/functional mobility to building innovation and customer-centricity skills, to providing individual executive assessment and coaching. Since inception in 2011, 215 employees have participated in these programs.

In our global Risk group, we have a 12-month program designed to strengthen the pipeline of women for leadership roles. Under the guidance of a sponsoring member of the Risk Management Executive Committee, Women in Risk participants identify career goals, implement a customized career development plan and expand visibility through networking opportunities. Since inception, more than half of the participants have taken on new or expanded roles within the firm.

CLIENTS AND SUPPLIERS

The value of diversity to our business extends throughout the value chain, from our employees to our clients and customers and our suppliers. Our diverse workforce reflects the diverse clients and communities we serve. Our clients are deeply engaged in issues around diversity, and we invite them to participate in activities around our shared interest. One example is our annual celebration of International Women’s Day (IWD). In 2016, we hosted 244 IWD events in 130 cities across 82 countries, including 41 client events that attracted 1,800 clients.

The Citi Supplier Diversity Program was created to give maximum opportunity to diverse partners who satisfy our purchasing and contractual standards. The program works to create mutually beneficial business relationships with diverse suppliers that strengthen the communities we serve and create value for our shareholders. For more details on our supply chain, see [Responsible Sourcing](#).

FAIR EMPLOYMENT PRACTICES

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

“My resume never matched a keyword search. As it turns out, I needed to meet someone in person to show them my ability. Previously, I applied for postings at Citi, but it wasn’t until I attended Citi and You, a new workshop focused on identifying and hiring individuals looking to start a new career in financial services, that I found a way into Citi. I am an attorney and teacher by trade, but I lacked previous banking experience. Through Citi and You, I met a representative from Citi’s Legal Department who encouraged me to consider roles outside of the traditional attorney career path. It became clear to me that my experience as an attorney and educator at both the secondary and college levels could be relevant to work at a financial institution. It prepared me for my role overseeing end-to-end contract administration, and I joined Citi as an ESC contract specialist in September of 2016.”

- JENNIFER LYNCH,
Enterprise Supply Chain (ESC)
Contract Specialist,
Enterprise Operations and
Technology, Tampa

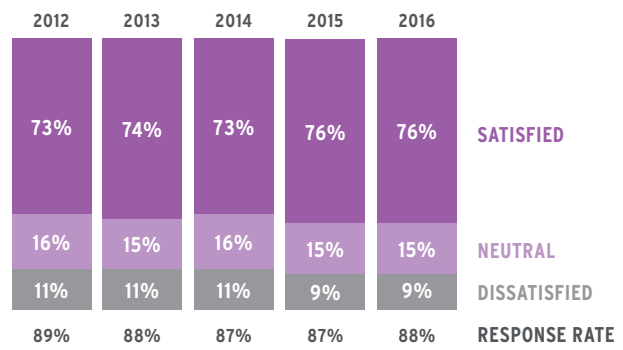
GLOBAL EMPLOYEE TRAINING BY REGION: HOURS PER EMPLOYEE

ASIA PACIFIC	40
EUROPE, MIDDLE EAST AND AFRICA	38
LATIN AMERICA	45
NORTH AMERICA	51

VOICE OF THE EMPLOYEE SURVEY

Our annual Voice of the Employee (VOE) Survey provides critical input from our global workforce on trends in the workplace and management practices. We value our employees' input and closely review this feedback. Our overall employee satisfaction held steady in 2016 at 76 percent satisfied. The VOE Survey's Diversity Index, which measures four items – senior manager support for diversity, equal opportunity for a successful career, manager support for work/life balance and whether employees feel they are treated with respect and dignity – held steady this year at 81 percent favorability.

OVERALL EMPLOYEE SATISFACTION



Compensation

Citi takes pride in offering competitive salaries across the regions in which we operate. Citi conducts a robust annual review of compensation, which includes multiple layers of management and Human Resources review of compensation recommendations. We design our compensation program based on [Citi's Compensation Philosophy](#), which outlines the five primary objectives that our program and structures aim to achieve.

Our approach to compensation also includes ensuring that employees who are paid hourly receive competitive wages within the industry. We also offer employees the opportunity to take advantage of formal or informal flexible work arrangements, including part-time work and job sharing.

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

WHAT'S AHEAD

Each day, we strive to create an inclusive workplace where our nearly 220,000 employees can thrive. Our senior leaders will be championing initiatives, policies and programs for our newly launched Affinity groups that enable our talent to perform at the highest level and ensure an inclusive workforce. A culture of inclusion is one of Citi's strategic advantages and allows us to participate in an increasingly competitive environment defined by innovation and growth.

HUMAN RIGHTS

As a global bank that connects millions of people worldwide, it is imperative that we champion and strive to protect human rights wherever we do business. We employ hundreds of thousands of people, purchase a significant amount of goods and services around the world and provide financial services in more than 160 countries and jurisdictions. The potential for human rights abuses to be carried out by those with whom we do business places a serious responsibility on us and also creates an opportunity to put our values into action. Advancing respect for human rights involves complex decisions with uncertain outcomes, but it is a task we embrace and work toward implementing every day.

*GRI indicator:
G4-27*

With our global reach, we have the ability to influence decisions related to human rights issues across sectors and around the world. For that reason, our work to respect human rights touches all aspects of our company. We have specific policies and codes of conduct in place, including our [Statement on Human Rights](#), that protect our employees, provide guidance to our suppliers and inform our business decisions, including what we choose to finance. We conduct risk analysis, due diligence and stakeholder engagement activities to ensure human rights considerations are taken into account across our business. Human rights are a key component of our Environmental and Social Risk Management activities and an important consideration in our financing decisions. In some situations, we are well positioned to try to exert a positive influence on those involved in

adverse human rights impacts, leading to a range of outcomes. For example, our anti-money laundering efforts help us to prevent criminally sourced funds, including funds from activity associated with human rights abuses, from passing through our bank. Our ability to disrupt the flow of money to those perpetrating human rights abuses is an effective way to thwart their efforts. In other situations, however, we have far less opportunity to exert a positive influence consistent with our values. In those instances, our first approach is to engage as constructively as possible to improve our clients' awareness and practices, but at times we also need to re-evaluate the client relationship.

For more about anti-money laundering, see the [Conduct, Culture and Governance](#) section.

2016 HIGHLIGHTS

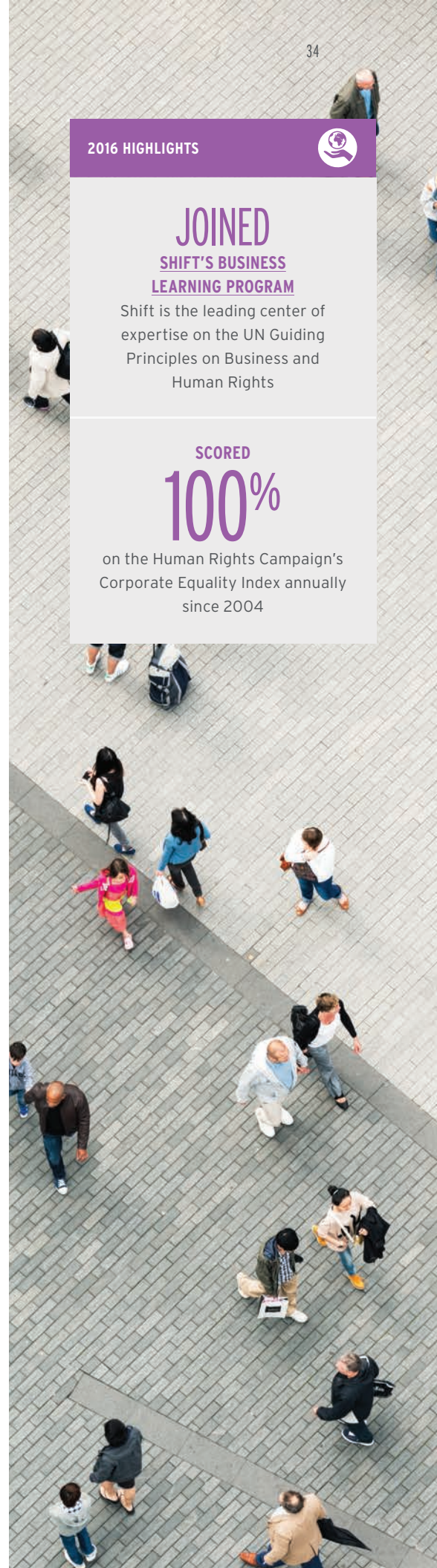


JOINED SHIFT'S BUSINESS LEARNING PROGRAM

Shift is the leading center of expertise on the UN Guiding Principles on Business and Human Rights

SCORED
100%

on the Human Rights Campaign's Corporate Equality Index annually since 2004



OPERATING WITHIN THE GLOBAL CONTEXT OF HUMAN RIGHTS

As we encounter and address human rights issues, we do so within a broader global context. Citi engages human rights experts, clients and peers with the intent to promote and help secure respect for human rights, in line with the [United Nations Guiding Principles on Business and Human Rights](#) – a global framework for preventing and addressing the risk of adverse impacts on human rights linked to business activity. This report has been prepared in accordance with the UN Guiding Principles Reporting Framework (see [Index](#)). The UN Guiding Principles draw upon existing international human rights instruments whose principles we endorsed years ago, such as those in the UN Universal Declaration of Human Rights and the International Labour Organization's Core Conventions regarding child labor, forced labor, freedom of association, the right to organize and bargain collectively, as well as equal pay and nondiscrimination in the workforce.

IMPLEMENTING OUR RESPECT FOR HUMAN RIGHTS

The UN Guiding Principles on Business and Human Rights, which were endorsed by the UN's Human Rights Council in 2011, call upon companies to adopt policy statements on human rights that they operationalize and to make those statements publicly available.

Policy Development and Stakeholder Engagement

For years prior to the adoption of our formal [Statement on Human Rights](#) in 2007, Citi's [Environmental and Social Risk Management Policy](#), which we adopted in early 2003, guided our approach to environmental and social issues related to our financing of our clients' business activities. As a part of developing our Statement on Human Rights, which we last updated in 2014, we conducted broad-based internal and external stakeholder engagement to help assess our human rights impacts and identified issues across our employee population, supply chain, clients and the domestic and foreign communities where we do business. We regularly

update the policies and practices that underpin our Statement on Human Rights to continuously strengthen our human rights due diligence.

Beyond our policy update process, we regularly communicate our approach to human rights issues externally and engage with stakeholders on issues of concern. During 2016, we engaged nongovernmental organizations, including the Rainforest Action Network, BankTrack and Global Witness. As part of these interactions, we received feedback about our human rights policies and discussed trends and concerns related to various industries and about specific issues.

In addition, we pay close attention to human rights issues raised by stakeholders within specific industries, such as fossil fuel extraction, forestry and palm oil. In response to these concerns, we actively engage with those industries by participating in groups such as the Roundtable on Sustainable Palm Oil (RSPO). We take very seriously the opinions and information that stakeholders provide us with regard to human rights.

Citi's senior management is informed about and discusses human rights issues. Salient issues are regularly communicated to senior management and our Board of Directors. For more about governance of citizenship issues, including human rights, see the [Citizenship Governance at Citi](#) section.

Our Salient Human Rights Issues

Human rights has in recent years emerged as one of our most [material issues](#), a concern that was reinforced by the findings of our 2015 materiality assessment. We recognize that our most salient human rights issues, where risks to people are greatest, could also pose material risks to the business as well.

We have spent more than a decade working on the most salient human rights issues for our company. While we evaluate human rights risks that could arise in our own operations as well as our supply chain, our most salient human

rights risks are those that are related to our financing of client activities. Most of these risks we identified under our ESRM Policy as "Areas of High Caution" several years before the advent of the UN Guiding Principles, although the ESRM process substantially mirrors the analysis under the UN Guiding Principles of risk severity and salience. Our work to address these risks has included establishing an internal ESRM team, developing our risk identification and mitigation policies and procedures and helping to found and govern the [Equator Principles](#) framework to enhance and standardize risk management across the banking sector.

The salient issues we have consistently worked on related to financed activities include:

- **Indigenous Peoples.** Various concerns can arise regarding consultation in project development, contestation over land rights and uses, as well as potential impacts on habitats, livelihoods and cultural heritage.
- **Labor.** There are risks related to labor forces used in the construction of projects or other operations, including risks related to forced labor, child labor and human trafficking by project operators and their subcontractors.
- **Resettlement.** Resettlement of local communities, including indigenous peoples, can be necessary for project implementation. When this occurs, it should be conducted through carefully planned resettlement action plans that are reviewed by project lenders in advance of implementation.
- **Security.** Security concerns have been identified relating to how project sponsors engage with public or private security forces protecting project sites. In such circumstances, if we decide to proceed with financing, we will advise project sponsors on the implementation of international standards, such as those in the Voluntary Principles on Security and Human Rights.

If we do finance any project in which these issues may be identified, we manage these risks based on our ESRM Policy, including, where applicable, the engagement of an independent consultant to review the project sponsor's mitigation approach and efforts. For such transactions, we typically monitor the project sponsor's implementation of risk mitigation plans through the construction and operation phases.

We will continue to evaluate human rights risks in line with evolving international best practice.

RESPECTING THE HUMAN RIGHTS OF OUR EMPLOYEES

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

Diversity and inclusion are of particular concern, especially in countries where there is no legal protection based on characteristics such as gender, gender identity, race, age or sexual orientation. Diversity and inclusion issues are not always discussed in terms of human rights, but they are essential to human dignity, a key tenet of basic human rights. Championing diversity and inclusion not only aligns with our core values, it is also vital to our business success. Citi prohibits discrimination and harassment of our employees in all forms regardless of whether or not individual protections are legally mandated in the countries and communities where we operate. In fact, we know that even in locations where anti-discrimination laws exist, there is still a need for companies to stand up for individual rights. We provide diversity training to our employees globally to foster a respectful and inclusive work environment, and we investigate and take action on all violations.

Freedom of association is another important human rights issue that affects our workforce. While the financial services industry is not heavily unionized, we do have unions or work councils in approximately 30 of the countries where we operate. More than 15 percent of our employee population is covered by collective bargaining agreements. We engage directly with our employees and through these associations to discuss issues such as health and safety, remuneration, work hours, training, career development, work time flexibility and equal opportunity. Citi values and respects our employees, and strives to provide fair compensation, benefits and working conditions. We are proud to be considered an employer of choice, based on the external diversity and workplace awards and recognitions that we have received around the world. For more information on our diversity and workforce initiatives, see the [Talent and Diversity](#) section.

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.

EXTENDING RESPECT FOR HUMAN RIGHTS PROTECTION THROUGH OUR SUPPLIERS AND PARTNERS

Nondiscrimination policies also extend to Citi's and the Citi Foundation's philanthropic grantmaking and to Citi's suppliers. We do not provide funding to organizations that discriminate on the basis of personal characteristics, such as gender, race and sexual orientation, among others, nor do we work with suppliers that violate our policies.

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 environmental, social and governance issues, including human rights issues such as labor rights and health and safety. As with our

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

SUPPORTING THE BASIC NEEDS OF REFUGEES

As a U.S. company and the world's most global financial institution, global issues and local policies impact us as well as our clients. In 2016, the White House called on U.S. companies to aid refugees in the U.S. and around the world with education, employment and enablement (i.e., strengthening infrastructure and access to resources for refugees). We responded with a commitment to collaborate with clients and partners on ideas that respond to the needs of refugees, including youth education and employability efforts supported by the Citi Foundation as well as financing solutions that address the needs of displaced persons. In addition, our CEO issued a message to our employees reinforcing Citi's commitment to diversity and the importance of maintaining an open and welcoming society.

ADDITIONAL HUMAN RIGHTS DUE DILIGENCE IN OUR FINANCING

Assessing and managing human rights risks related to our clients and the projects we finance are integral to respecting human rights at Citi. Our ESRM team reviews clients and projects we are considering financing for environmental and social risks, including those relating to human rights.

Our ESRM Policy pays special attention to activities we believe pose heightened risks to individuals and communities. This includes an absolute prohibition on financing any clients or projects involved in forced labor, child labor or human trafficking. In addition, the policy covers “Areas of High Caution” – heightened environmental and social risks that require closer due diligence and heightened risk management. These areas are discussed on page 35 under Our Salient Human Rights Issues.

To assess and manage risks consistently around the globe, our client transactions must comply with Citi’s ESRM Policy. We review transactions covered by our ESRM Policy for human rights risks during the initial due diligence phase, and do our best to ensure that these risks are being properly mitigated and managed by our clients as a condition for our financing. In addition, Citi complies with the Equator Principles (EP) to assess and manage environmental and social risks for financing projects. The EP framework helps financial institutions define processes and standards for stakeholder engagement, including mechanisms for affected communities to address grievances proactively with project sponsors. For more information, see the [Environmental and Social Risk Management](#) section.

Transactions Reviewed Under Citi’s Statement on Human Rights

In 2016, the ESRM team screened 411 total transactions at the initial marketing phase, and of those, 28 were flagged as requiring additional due diligence for human rights risks. Note that this does not include other human rights risk assessments the ESRM team does as part of annual client reviews or portfolio

reviews. Of the 28 transactions flagged for additional human rights due diligence, 9 proceeded to close after we confirmed the client was managing and mitigating the potential risk appropriately. Transactions may not reach financial close for a number of reasons, not solely tied to ESRM review. The specific types of risks reviewed are outlined in the table below. One transaction may have more than one human rights risk.

One example of a transaction reviewed was a small letter of credit for a construction company acting as a subcontractor on a hydroelectric dam. The business sent the transaction to the ESRM team given some potential triggers of the Areas of High Caution in Citi’s ESRM Policy. ESRM screening flagged the transaction for human rights review, and the ESRM team’s due diligence identified allegations of forced labor in construction of the project, as well as troubling environmental and cultural impacts to a UNESCO biosphere reserve. Given the identification of these risks, we declined to approve the transaction as it was not in compliance with our ESRM Policy.

Citi has approximately 14,000 corporate and institutional clients. The UN Guiding Principles acknowledges the challenges posed by having such extensive business relationships and, accordingly, we have adopted their recommendation of

identifying general areas in which the risk of adverse human rights impact is most significant. This entails identifying what may be the underlying cause of such risks – for example, a company’s operating contexts or direct operations, their products or services, or other relevant considerations – and then prioritizing them for review (see Our Salient Human Rights Issues on page 35). We regularly evaluate and, when needed, enhance our due diligence requirements to ensure that all our clients manage and mitigate risks in line with international best practices.

We also believe in the value of transparency around these issues. Citi engages with NGOs in an effort to communicate about our processes and advance transparency as appropriate. While, in recent years, banks have come under increasing pressure to disclose specific findings related to client projects, we are bound by legal requirements and business ethics related to confidentiality that limit our ability to disclose such information. As we continue to work with our clients on human rights issues in their organizations, addressing requests for transparency will continue to be a balancing act between protecting the confidentiality of our clients’ information and disclosing information to stakeholders as appropriate to advance the protection of human rights more broadly.

HUMAN RIGHTS RISK	RISK(S) IDENTIFIED IN TRANSACTIONS REQUIRING ADDITIONAL DUE DILIGENCE*	RISK(S) IDENTIFIED IN THOSE TRANSACTIONS THAT CLOSED AFTER RISK REMEDIATION
INDIGENOUS PEOPLE	16	7
LABOR	8	1
RESETTLEMENT	6	1
SECURITY	6	1
OTHER	3	2

*There were 28 transactions requiring additional human rights due diligence in 2016. Of those, nine closed after risk remediation.

CASE STUDY

PREVENTING HUMAN TRAFFICKING

"Following the flow of funds from human trafficking is no easy task; it's like looking for a needle in a haystack. But we began on a year-long journey of testing what we knew and what we didn't and inputting massive amounts of data. In the end, we built an algorithm to identify potential patterns of behavior related to human trafficking."

- A lead statistical data miner,
Data Intelligence Unit, Citi

The Data Intelligence Unit is a specialized group within our AML team that seeks to understand connections

and associations related to the movement of money to prevent fraud and money laundering. To report and deter the illegal movement of money within Citi related to these crimes, the team worked with law enforcement and Citi investigators to develop a highly effective algorithm to systematically identify potential human traffickers. The team is leveraging its patent-pending methods to further advance detection by applying advanced data science techniques to detect human trafficking networks – potentially giving the algorithms a global range.

UPHOLDING HUMAN RIGHTS IN COUNTRIES WHERE WE DO BUSINESS

We are committed to upholding high standards of human rights protection, regardless of the varying human rights-related laws and practices in the many places where we operate. Not all governments uphold their duty to protect, respect and fulfill human rights according to international standards. Consequently, we sometimes find there are situations where local policies do not align with efforts to respect human rights. Particular examples include issues related to diversity and inclusion, especially related to gender and lesbian, gay, bisexual and transgender issues; some countries where we operate have laws or practices that are contrary to the protection of these rights. Consistent with the UN Guiding Principles, in these instances, we increase our due diligence to ensure we manage any risks related to our business, share best practices and set a positive example to raise human rights standards worldwide.

CONTINUOUS LEARNING AND IMPROVEMENT

Continuous learning and engagement with other companies and experts in the field of human rights is a key component of our approach to respecting human rights. In 2016, Citi joined [Shift's Business Learning Program](#). Shift is a nonprofit organization that engages with companies, governments, civil society and other actors to build capacity and provide guidance and expertise related to implementation of the UN Guiding Principles on Business and Human Rights.

Our work with Shift will improve our ability to meet our human rights responsibilities in a number of ways. First, we are working together to build a more sophisticated system that identifies heightened risks within our client base, across geographies and sectors. This system uses a portfolio-based approach, through which we identify client sectors and subsectors that, based on their industry and geography, have a greater risk of human rights impacts. The insights we gain from the analysis will help inform our evolving human rights due diligence approach.

Through our participation in Shift's Business Learning Program, we are also collaborating with other companies to understand how they are bringing the UN Guiding Principles to life for their businesses. Given the broad range of sectors represented, this strengthens our capacity to advise our clients, especially those we have identified with gaps between their current human rights performance and best practices. Clients with identified gaps may be working toward completion of an Environmental and Social Action Plan to fill those gaps. See the [Environmental and Social Risk Management](#) section for more information about these action plans.

COMPREHENSIVE REPORTING

To further analyze our human rights performance and continue our commitment to transparency, we have undertaken an effort to align our reporting with the [UN Guiding Principles Reporting Framework](#). In addition to increasing transparency and accountability, this reporting provides a single place to find a comprehensive review of our human rights activities and our expectations for those we employ and do business with – further clarifying the responsibilities our employees, suppliers and clients have in this area. We will continue to develop our reporting using this framework, and we will engage with external stakeholders to help us understand their expectations for disclosure.

WHAT'S AHEAD

Global financial institutions such as Citi operate within a complex set of circumstances related to human rights. The extent of our influence and input on our clients' activities can often be limited as they navigate human rights challenges. We are mindful, as noted in the UN Guiding Principles, that disengagement should be a last resort, as that would eliminate any influence and potential leverage we might have in working with our clients. As we continue to collaborate with clients, we are focused on strengthening our due diligence and increasing our understanding of human rights risks that can be addressed. One area for opportunity is how we can go beyond minimum legal compliance in high-income OECD countries.

We will continue to listen to stakeholder concerns and expert views to stay on top of human rights issues. We receive this input in a variety of ways, including through employee training, concerns raised through our Ethics Hotline and other feedback we receive from employees, suppliers and clients. Whatever we do, we must see human rights not in terms of how it affects companies or financial risk, but how it affects people.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

At Citi, we help our clients meet the world’s toughest challenges and embrace its greatest opportunities. Managing and addressing environmental and social risk in our financial transactions helps us ensure that those challenges and opportunities are met responsibly. Environmental and Social Risk Management is one pillar of our [Sustainable Progress Strategy](#), and the related activities and policy help us and our clients navigate a constantly evolving risk landscape and make responsible decisions.

GRI indicator:
G4-27

OUR ESRM POLICY

Citi lends billions of dollars of capital to a wide variety of companies and projects, many of which have potential environmental and social impacts. We carefully evaluate and consider these risks when making financing decisions on individual, project-related transactions, during annual company reviews, and when assessing entire portfolios.

Our ESRM Policy covers a broad scope of financial products, and it sets standards for assessing client impacts on local communities, labor, biodiversity, air quality, water quality and other environmental and social issues. As the first U.S.-based financial institution to introduce a comprehensive ESRM Policy – back in 2003 – we continue to evolve our ESRM Policy and standards in response to emerging risks and new product development.

In 2016, coal mining and palm oil were two sectors that received special scrutiny and focus from us and our stakeholders. In the coal mining sector, particular areas of concern are contributions to greenhouse gas (GHG) emissions, climate change and community impacts. In 2016, we had our first full year of implementation of our updated Coal Mining Standard, which requires additional enhanced due diligence for coal mining companies and commits Citi to reducing our credit exposure to this industry over time. This commitment applies globally to coal mining companies generating a majority of their revenues from coal mining activities, including those that use mountaintop removal methods, and to coal-focused subsidiaries of diversified mining companies. As part of the enhanced due diligence process, the ESRM team analyzes the companies’



2016 HIGHLIGHTS



REDUCED OUR CREDIT EXPOSURE to coal through the first full year of implementation of our

COAL MINING STANDARD

Addressed fire prevention practices of

PALM OIL CLIENTS to assess alignment with industry best practice by updating our **DUE DILIGENCE QUESTIONNAIRES**

Piloted an ESRM Watchlist process to provide an

EARLY WARNING SYSTEM

on clients and transactions that may pose heightened **ENVIRONMENTAL, SOCIAL OR REPUTATIONAL RISK**

environmental and social policies and performance, including environment, health and safety management systems, mine safety data, pollution control information and community relations. To deliver on our commitment to credit exposure reduction, we have reduced and are actively measuring and tracking our credit exposure, which is reviewed by senior management in our business, Risk and Public Affairs groups.

We also updated the due diligence approach for our Sustainable Palm Oil Standard in response to the growing human rights and environmental concerns that we see in this industry, including impacts to biodiversity, air quality and labor issues. In 2016, we began strengthening our human rights efforts through our partnership with [Shift's Business Learning Program](#) and engagement of a third-party consultant to help us further develop the "Areas of High Caution" – issue areas that require special attention, focus and respect – outlined under our current ESRM Policy. For more information on our human rights work, see the [Human Rights](#) section of this report.

POLICY IMPLEMENTATION

Our centralized team of ESRM specialists evaluates all transactions that trigger a review according to our ESRM Policy. We also rely on employees throughout our organization globally, including designated ESRM Champions – credit risk officers who have expertise in regional and product-related ESRM issues. ESRM Champions provide important regional insight that improves our ability to make responsible lending decisions. This network approach greatly enhances the global coverage capacity of our centralized specialist team. The ESRM team works collaboratively and regularly shares information and best practices that help support and strengthen the entire network.

Transactions reviewed by the ESRM team are categorized as A, B, C or GR (general review), based on the magnitude of potential adverse social and environmental impacts associated with


the project. Project-related financing is assessed against applicable standards – either national law in high-income OECD countries, or the Environmental and Social Performance Standards and Environmental, Health and Safety Guidelines of the International Finance Corporation (IFC) for projects in emerging markets. Our ESRM policies help us ensure responsible financing of projects while managing and minimizing environmental impacts and effectively engaging local communities. Higher-risk, project-related transactions receive in-depth reviews against applicable standards by independent environmental and social consultants. If gaps are found between a client's environmental and social plans, policies or practices and industry best practices, we develop an Environmental and Social Action Plan (ESAP) to fill the gaps. As a condition of financing, we require the client to implement the ESAP, and we monitor progress over time. The application of our ESRM Policy helps us identify additional risks we may not otherwise be aware of, guides decisions for how to evaluate future transactions related to companies or projects within high-risk sectors and presents opportunities for us to advise clients on solutions to thematic risks.

To learn more about our ESRM Policy, including Areas of High Caution, sector-specific standards and policy prohibitions, visit our [Guidelines for Environmental Practices](#) webpage and our [Environmental and Social Policy Framework](#).

MONITORING EMERGING RISKS

As part of our commitment under our Sustainable Progress Strategy, the ESRM team is implementing new methods to proactively scan for emerging risks in both specific clients and projects, and more broadly in high-risk industries and stakeholder areas of concern. Our Environmental and Social Risk Radar Report tracks environmental and social concerns that pop up in external sources, such as media outlets, data providers, internet searches and financial industry-targeted civil society reports. The Radar Report flags both high-risk projects and emerging issues with increasing risk and/or global attention. It helps us fine-tune our risk management, raise awareness within Citi about new issue areas to watch, shore up our approach to specific sectors, update policies if warranted and provide advice to our clients. The Radar Report is informing the development of a new ESRM Watchlist, where we proactively flag certain client relationships as higher risk from an environmental, social, human rights or reputational risk perspective. While Citi has always kept an eye on emerging risks and updated our policy to respond, the Radar Report reflects a more systematic, data-driven approach, which increases our ability to flag issues of concern and take a proactive approach to addressing these risks.

CASE STUDY

**DEFORESTATION AND THE
PALM OIL INDUSTRY**An aerial photograph showing a vast palm oil plantation. A paved road curves through the center of the image, flanked by rows of palm trees. The trees are densely packed and appear healthy and green. The perspective is from a high angle, looking down on the plantation and the road.

Palm oil is a widely used ingredient, found in products ranging from food to cosmetics. Derived from oil palm trees, which grow mainly in low-income, tropical countries, its cultivation is both land- and labor-intensive. In addition to human rights concerns related to labor practices and the displacement of indigenous communities, there are serious environmental risks in the palm oil industry. Mass fires used to clear tropical forests for palm oil plantations or caused by dry, exposed peat and combustible conditions shrink the habitats of endangered species and often cover the region in a thick haze, contributing to climate change and serious health problems.

Since 2016, Citi has been advising [Global Forest Watch](#) (GFW) on the development of GFW Finance. The platform is designed to enable the finance sector to screen palm oil and forestry investments and portfolios for environmental and social risk and

receive ongoing fire and deforestation alerts related to their clients. This kind of information is invaluable for banks, such as Citi, that are attempting to provide oversight and accountability in the agricultural commodity sector.

We also worked with World Wildlife Fund and the Indonesian Financial Regulator (OJK) to conduct a workshop with risk managers from Indonesia's eight largest banks on our palm oil due diligence process. This effort is part of the government of Indonesia's multi-year sustainable finance roadmap. This workshop focused on our use of GFW Fires, a separate platform developed by GFW that serves as an important tool for tracking fires, and our questionnaire on best practices for fire prevention on palm oil plantations. We also presented our Palm Oil Due Diligence process at the Association of Banks in Singapore, which helped with the development of Singapore's Haze Diagnostic Guidance Note.

CASE STUDY

**MINIMIZING IMPACTS TO HABITATS
AND COMMUNITIES IN GUATEMALA**

Citi provided a loan, guaranteed in part by Export Development Canada (EDC), for TRECSA – the Guatemalan subsidiary of Empresa de Energía de Bogotá. The loan financed construction of a landmark, 868-kilometer, high-voltage electric transmission line that will cover nearly half of Guatemala and provide electricity to previously underserved areas. However, the planned route passes through more than 300 communities and 330 kilometers of natural habitat. An independent review of the project against the IFC standards found that it had implemented a robust communications and engagement strategy with local communities at all levels, including best practice elements such as stakeholder mapping and community engagement in both Spanish and indigenous languages. Regarding environmental impacts, while the project

was designed in compliance with national laws, it required additional biodiversity assessment and mitigation work to comply with IFC Performance Standards.

Citi and EDC's ESRM teams required the company to hire an independent biodiversity expert to work with them to bring the project into compliance with IFC standards. This work included developing and implementing a formal biodiversity management plan to avoid impacts to critical habitat and mitigate impacts to sensitive species, as well as developing additional staff capacity to implement these plans moving forward. This project has set a precedent for other similar projects in the region and helped our client enhance its own environmental and social risk management capacity.

ENHANCING OUR TRAINING

Annually, we train key risk and banking personnel on our ESRM Policy, including in-depth discussions on environmental and social risks relevant to certain regions and sectors, Equator Principles implementation and Citi Sector Standards. In 2016, our ESRM training was revamped to include emerging risks and new guidance to help recognize environmental and social risk in transactions. We trained more than 1,000 Citi employees under this new format. We also worked with the Equator Principles Association to develop an in-depth multimedia training module on the details and implementation of the Equator Principles. The training includes videos, quizzes and a broad range of useful guidance materials.

STRANDED ASSETS ANALYSIS

Financial institutions are paying more attention to stranded asset risk, or the potential for assets to lose value as a result of circumstances such as climate change. For example, power companies that rely on water for their operations may face lower earnings or increased costs due to drought-induced water scarcity. This may result in a decline in those companies' credit profiles. To understand the resilience of Citi's lending portfolios to drought scenarios, our ESRM team participated in a project hosted by the [Natural Capital Finance Alliance \(NCFA\)](#). The result was a drought stress-testing tool that blends traditional valuation methodologies with environmental scenarios to identify the impact of drought on key industries. Our ESRM team has tested the tool, which is a major step in creating a standard for environmental stress testing and climate scenario analyses. In the future, we will explore incorporating the tool into Citi's Risk Architecture, as scenario modeling may reflect how external environmental shocks, which may become more frequent with climate change, could affect the credit quality of certain industries.

CASE STUDY

ZERO DEFORESTATION INITIATIVES WITH THE RAINFOREST ALLIANCE

Over the past few years, Citi and the Citi Foundation have collaborated with the Rainforest Alliance to develop and roll out workshops aimed at producing funding models for zero deforestation initiatives with smallholder farmers in Peru and Indonesia. The 2016 workshop in Peru resulted in a blueprint for an impact investment fund, which will continue to be developed in 2017. In addition, a similar workshop, focused on small palm oil farms in high-poverty areas, will take place in Indonesia in 2017.



CASE STUDY

DAKOTA ACCESS PIPELINE

Citi is one of the 17 banks that financed the Dakota Access Pipeline (DAPL) project – an underground oil pipeline in the U.S. from North Dakota to Illinois. Construction of the pipeline raised concerns and spurred protests by indigenous peoples and environmentalists as well as many others who were concerned about the project and its potential impact. Citi recognizes the importance of the issues they have raised and will learn from this experience to improve our approach to due diligence on social risk, including on issues related to indigenous peoples.

When first approached to work on this project, Citi conducted careful due diligence under our ESRM Policy and the Equator Principles, and the project was rated a Category A for high environmental and social risk. Citi reviewed the project's Environmental Assessment report, and, along with other banks involved, engaged an independent consultant to review the permitting and approval process to confirm compliance with U.S. laws and regulations, and to prepare a report summarizing the findings as required by the Equator Principles. Through this process, we understood that the Standing Rock Sioux tribe had raised concerns about potential impacts to their drinking water at the Lake Oahe/Missouri River crossing. We also understood that, in response, the project sponsors proposed using horizontal directional drilling to go more than 95 feet under the river crossing to minimize impacts and risks, in line with industry best practice for water crossings. Subsequently, we determined that the project met our ESRM Policy and the Equator Principles.

As the objections of the tribal and other stakeholder communities to the project escalated, Citi realized

the need to directly engage with the Standing Rock Sioux tribe, as well as a number of stakeholders from the human rights, academic, investor and nongovernmental organization communities, to better understand their concerns. We greatly appreciated the constructive nature of those discussions and used what we learned from them to engage with the project sponsors, expressing our concerns and advocating for steps toward a peaceful resolution. Citi, together with TD Bank and on behalf of the other banks, spearheaded the engagement of an independent human rights expert, Foley Hoag LLP, to review the U.S. legal requirements for consultation with indigenous peoples and the project sponsors' policies and procedures in the areas of community consultation, cultural heritage assessment and security. The review resulted in recommended improvements that project sponsors can make to these policies and procedures in line with international best practice.

Citi took away a number of key learnings from our involvement in this project that will impact how we evaluate such work in the future. Specifically, the current approach to consulting indigenous peoples in the U.S. does not align with international standards, and the policies that we have used to evaluate those consultations during due diligence are not sufficient. Accordingly, we are working with a third-party consultancy specializing in community engagement – Monkey Forest Consulting – to advise us on strengthening our internal due diligence in this area this year. We also intend to continue to maintain a direct dialogue with members of the Standing Rock Sioux tribe community and other relevant stakeholders on a regular basis going forward.

WHAT'S AHEAD

In 2017, we will strengthen our policy guidance on human rights due diligence, with a specific focus on indigenous peoples, in consultation with Monkey Forest Consulting, a third party specializing in community engagement. This guidance will help inform another 2017 key initiative, the roll out of our ESRM Watchlist, which will identify existing clients with elevated environmental and social risks, prior to new transactions, to stay ahead of emerging risks. The Watchlist will incorporate data from third-party environmental and social data providers together with further research by our internal ESRM team, and will create an early warning system allowing us to flag targeted environmental and social risks more efficiently and proactively.

We will also continue to develop and share best practices with the banking industry through our active participation in multi-stakeholder industry associations. In our role as chair of the RSPO Financial Institutions Task Force, we will help plan a series of workshops on labor standards and due diligence in palm oil. And in our new role on the steering committee of the Cross-Sector Biodiversity Initiative, we will contribute to the new Guiding Principles for Business on Key Biodiversity Areas.

Performance Against Our Sustainable Progress Scorecard for ESRM

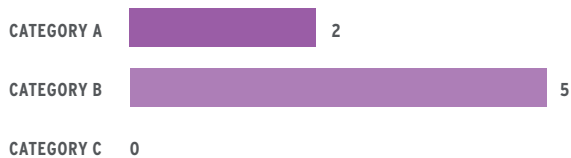
GOAL	2016 PROGRESS
ESRM Policy Continuous Improvements	<p>Completed the first full year of implementation of our Coal Mining Standard; conducted analysis on the environment, health and safety performance of all coal mining clients, and reduced credit exposure to the industry</p> <p>Updated our Shale Oil and Gas Sector Standard Client Questionnaire</p> <p>Updated our Palm Oil Questionnaire with fire and haze questions</p> <p>Engaged a human rights expert to advise on an update to our due diligence related to indigenous peoples</p>
Internal Training	<p>Trained 1,011 risk managers and bankers on ESRM</p> <p>Updated our web-based training module and worked with Equator Principles Association banks to create a multimedia e-training program on the Equator Principles</p>
Portfolio-Level Analysis of High-Risk Sectors	<p>Worked with the NCFE to develop a drought stress-testing tool and began using it to better understand the risks that drought poses to our portfolio of U.S. companies in a number of industrial sectors</p>
Emerging Risks & Trends	<p>Implementing an innovative ESRM Watchlist to flag certain clients for ongoing ESRM monitoring across industries</p> <p>Instituted a regional Environmental and Social Risk Radar for Latin America</p>
Building Global Capacity	<p>Partnered with the World Wildlife Fund and OJK (the Indonesian Financial Regulator) on its multi-year workshop series to develop ESRM policies in Indonesia's eight largest banks</p> <p>Presented Citi's environmental and social due diligence process for palm oil to banks, palm oil buyers and other sustainable palm oil stakeholders at the Association of Banks in Singapore and at the European Roundtable on Sustainable Palm Oil in Milan</p>

See our [2015 report](#) to compare our progress in 2015.

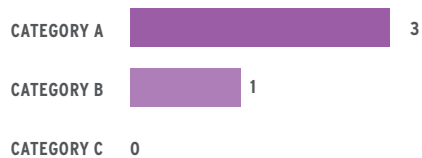
2016 Projects Covered by the Equator Principles

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

FUNDED EP PROJECT FINANCE LOANS



FUNDED EP PROJECT-RELATED CORPORATE LOANS



CITI HAD NO EP PROJECT FINANCE ADVISORIES AND NO EP BRIDGE LOANS IN 2016

FUNDED PROJECT FINANCE LOANS BREAKDOWN

BY SECTOR	A	B	C	TOTAL
Oil and Gas	2	0	0	2
Infrastructure	0	2	0	2
Power	0	3	0	3

BY REGION	A	B	C	TOTAL
U.S. and Canada	1	4	0	5
Latin America	0	0	0	0
Europe	1	0	0	1
Middle East and Africa	0	0	0	0
Asia and Oceania	0	1	0	1

BY COUNTRY DESIGNATION	A	B	C	TOTAL
Designated ¹	1	5	0	6
Non-Designated ²	1	0	0	1

BY INDEPENDENT REVIEW	A	B	C	TOTAL
Yes	2	5	0	7
No	0	0	0	0

FUNDED PROJECT-RELATED CORPORATE LOANS BREAKDOWN

BY SECTOR	A	B	C	TOTAL
Mining and Metals	1	0	0	1
Power	2	1	0	3

BY REGION	A	B	C	TOTAL
U.S. and Canada	0	0	0	0
Latin America	1	1	0	2
Europe	0	0	0	0
Middle East and Africa	0	0	0	0
Asia and Oceania	2	0	0	2

BY COUNTRY DESIGNATION	A	B	C	TOTAL
Designated	0	0	0	0
Non-Designated	3	1	0	4

BY INDEPENDENT REVIEW	A	B	C	TOTAL
Yes	3	1	0	4
No	0	0	0	0

For more information on our ESRM policy, including how we categorize loans, visit our [Environmental and Social Policy Framework](#).

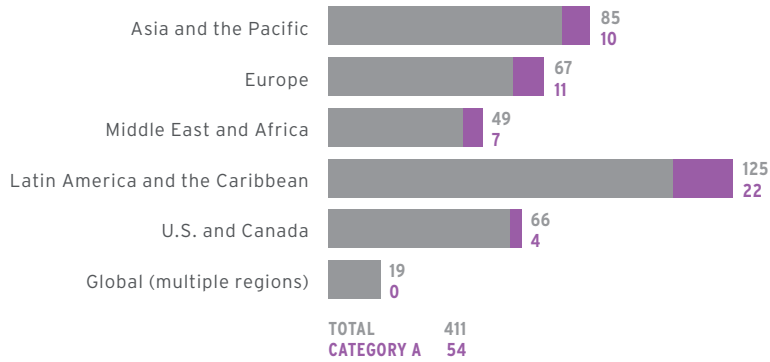
¹ Designated Countries as defined by the Equator Principles are High-Income OECD countries.

² Non-Designated Countries as defined by the Equator Principles are all non-OECD countries and all OECD countries not designated as high income. See the [Equator Principles website](#) for more information.

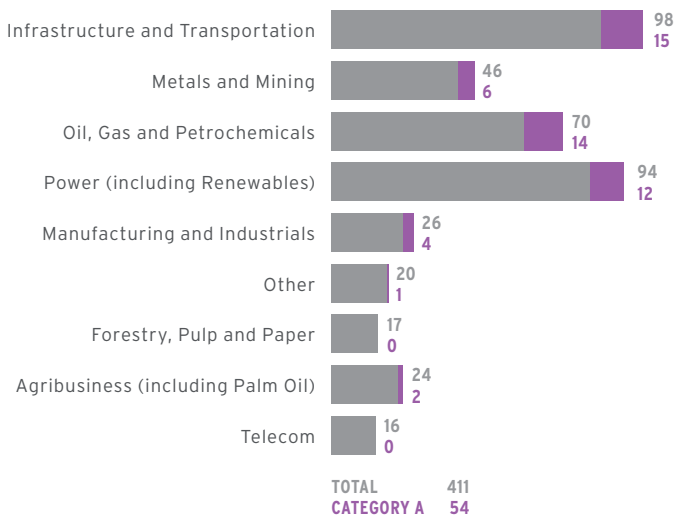
2016 Transactions Receiving ESRM Review

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.

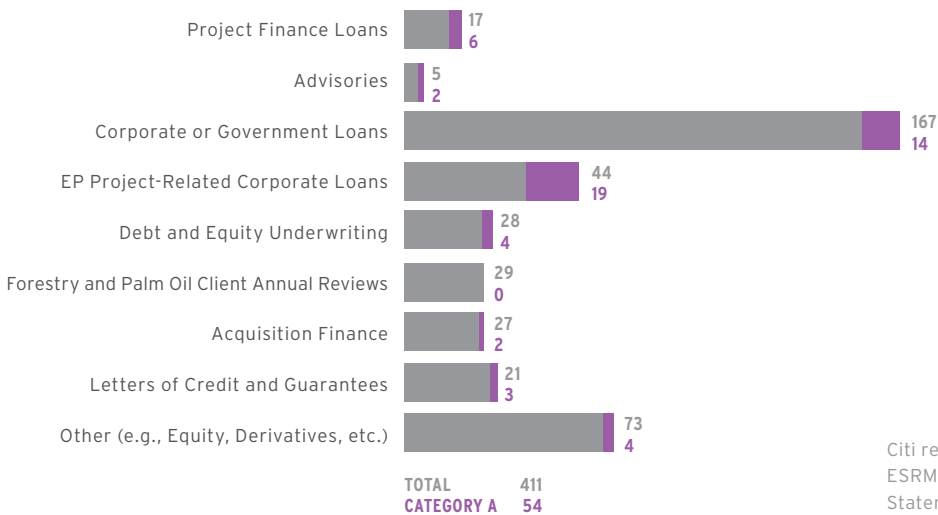
BY REGION



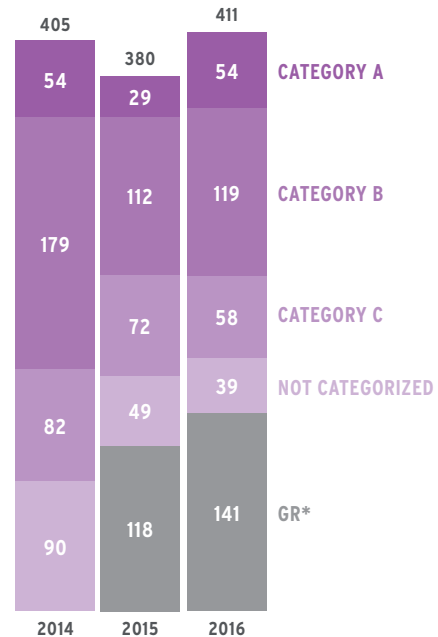
BY SECTOR



BY PRODUCT TYPE



TOTAL TRANSACTIONS RECEIVING ESRM REVIEW



* 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.

For more information on our ESRM policy, including how we categorize loans, visit our [Environmental and Social Policy Framework](#).

Citi received external assurance of our ESRM data from SGS. For our SGS Assurance Statement, see the [Assurance](#) section.

OPERATIONS AND SUPPLY CHAIN

With 12,000 owned and leased facilities and thousands of suppliers worldwide, our operational footprint and supply chain have an impact on the environment and the communities where we work. We take this responsibility seriously and continue exploring ways to increase efficiency and minimize our negative impacts on the environment and society. These actions represent one of the core pillars of our [Sustainable Progress Strategy](#).

RESOURCE USE AND ENVIRONMENTAL IMPACTS

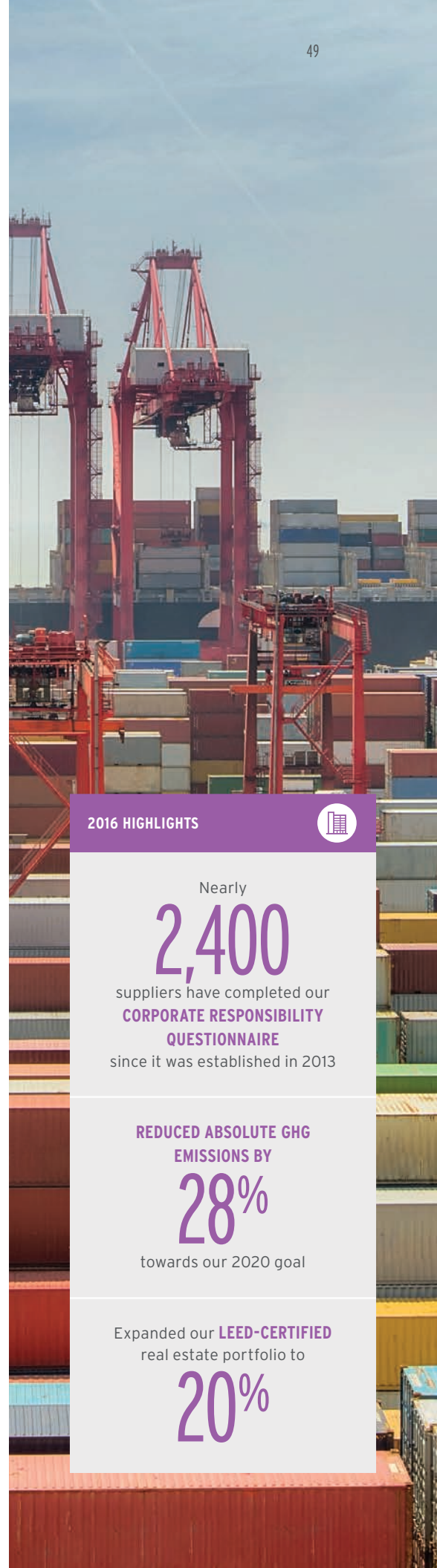
We embrace our responsibility to minimize our global footprint, setting goals to address the environmental impacts of our operations. We also recognize the interconnectedness of environmental sustainability and employee well-being and continue to look for ways to advance progress in these areas.

2020 Goals

As part of our Sustainable Progress Strategy and overall commitment to action on climate change, we measure our environmental footprint and set ambitious goals to minimize our environmental impact. We began reporting on our direct environmental impacts related to our operations in 2002, and have achieved the first and second generation of environmental footprint goals that we set for ourselves.

In 2015, we announced the third generation of our operational environmental footprint goals, which we intend to reach by 2020. We used a science-based approach to absolute reductions consistent with the United Nations' 2°C threshold for a climate tipping point to establish our goal to reduce GHG emissions by 35 percent by 2020 and 80 percent by 2050 compared with our 2005 baseline. To achieve this ambitious 2050 goal, we will continue to set absolute GHG goals in five-year increments and track annual performance. We have also established 2020 goals for energy use, water consumption, recycling, waste and green building (see box on the next page).

During 2016, we made positive gains toward our [2020 goals](#) in all areas. Our GHG emissions and environmental data are verified and assured by SGS (see the [Assurance](#) section), a leading third-party inspection, verification, testing and certification company.



2016 HIGHLIGHTS



Nearly
2,400
suppliers have completed our **CORPORATE RESPONSIBILITY QUESTIONNAIRE** since it was established in 2013

REDUCED ABSOLUTE GHG EMISSIONS BY
28%
towards our 2020 goal

Expanded our **LEED-CERTIFIED** real estate portfolio to
20%



2020 OPERATIONAL FOOTPRINT GOALS

<p>35%</p> <p>REDUCTION</p> <p>in absolute Scope 1 and Scope 2 GHG emissions (compared with 2005 baseline)</p>	<p>30%</p> <p>REDUCTION</p> <p>in energy consumption (compared with 2005 baseline)</p>
<p>30%</p> <p>REDUCTION</p> <p>in water consumption (compared with 2005 baseline)</p>	<p>10%</p> <p>OF WATER</p> <p>used coming from reclaimed or recycled sources</p>
<p>60%</p> <p>DIVERSION</p> <p>of waste stream to landfill (compared with 2005 baseline)</p>	<p>33%</p> <p>OF GLOBAL</p> <p>real estate portfolio LEED-certified</p>

CASE STUDY

UPDATE ON REDUCING CARBON EMISSIONS IN EUROPE

Achieving energy and carbon dioxide (CO₂) reductions at long-established data centers can be more challenging than designing new, efficient facilities. In our 2015 Global Citizenship Report, we first reported on our U.K. data center and how we addressed this challenge by selecting Combined Heat and Power (CHP) technology to provide the electricity for the data center.

CHP is a highly efficient technology for generating energy on site from a single fuel source, such as gas. The CHP plant generates electricity and heat. The heat would normally be lost, but by coupling the CHP plant with cooling equipment that runs in parallel, the heat energy can be used to help cool the data center. We are able to use up to 85 percent of the useable energy produced, reducing the amount of energy that would typically be lost during the transmission of electricity from central power plants.

Citi's Asset Finance Group worked with a third-party investment company to fund this project through normal operating costs rather than with a capital expenditure, requiring no upfront investment costs by Citi Realty Services.

In 2016, we were able to avoid 6,790.54 metric tons of CO₂ emissions, significantly more than what had been estimated, resulting in even greater energy and cost savings at the data center than we had initially forecast.

Reporting

In keeping with international best practice for transparently reporting climate-related impacts, Citi has submitted data to the [CDP](#) every year since 2003. We follow the 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 CO₂ emissions from employee air and train travel and project-financed thermal power plants. In 2016, Citi received a score of A- on our climate change impact reporting, compared to a score of A in 2015. Reporting requirements and expectations change frequently, and while we remain diligent in our effort to be as comprehensive and transparent as possible, these changes can result in fluctuations in year-over-year scores. In 2017, we will review reporting requirements to identify any potential gaps that may be addressed.

Innovations in the Built Environment

There is much that can be done to design physical workspaces that not only reduce environmental impacts but also enhance the comfort, well-being and productivity of employees (see next page). In assessing our operations, we looked for opportunities where the sustainable design of buildings could contribute to improved employee health and wellness, productivity, engagement and satisfaction.

We are incorporating biophilic design elements – those that draw on the principles of nature – into the current renovation of our global headquarters in New York. We will be seeking LEED Platinum certification when the update is complete and are using environmentally sustainable products throughout the renovated spaces. We're also improving air quality by using no- or low-VOC (volatile organic compound) paints, installing direct outside air systems, which balance recirculated air with outside air, and opening up the workspaces to accentuate outside views and bring in natural daylight. Our aim is to maximize efficiency and make the space as natural as possible, which is not only better for the environment but also beneficial to our employees (see page 53).

The way we procure energy for our buildings is a big consideration for our environmental footprint. Buildings account for about 40 percent of global energy use and emit approximately one-third of the GHG emissions.⁴ In 2016, we established a contract to purchase energy for our data center in Roanoke, Texas. To accomplish this, we worked with a retail energy provider and – for the first time to meet our own energy needs – our subsidiary, Citi Energy Inc. (CEI). To ensure the sustainable aspects of this transaction, Citi Realty Services procured renewable energy certificates for the entire data center's load for 2017. CEI was an integral partner to the success of this transaction.

Travel

There are a number of ways we work to reduce the environmental impacts of business travel and employee commuting.

- **Business Travel:** We encourage employees to use video and web conferencing technologies rather than traveling, whenever possible. When travel is unavoidable, we ask employees to group trips together to manage costs and reduce the number of trips taken, and we offer employees the option of train travel whenever it is a feasible alternative. Citi reports our [Scope 3 emissions from business travel](#).
- **Commuting:** Many of our offices are centrally located near public transportation, which reduces the need for employees to drive to work. In the U.S., we offer benefits that enable commuters to use pre-tax dollars to cover the cost of commuting by subway, bus, train, ferry and vanpool. We also offer bike storage and bike racks at a number of facilities and sponsor bike share programs, known as Citi Bike, in New York City, Jersey City and Miami. We encourage participation in New York City's bike share program through Citi Bike events at our New York offices. At our car park in London Citigroup Center, we offer a dozen electric vehicle charging stations for those driving electric vehicles.

⁴ [United Nations Environment Programme, Sustainable Buildings and Climate Initiative website](#). Last accessed December 2016.



CASE STUDY

WORKING WELL

Our Citi Tower in Hong Kong is a significant milestone in our pursuit to operate facilities that live up to high environmental standards and also provide employees with workplaces that support their well-being. The building has been awarded LEED Platinum Certification, which contributes to our goal of 33 percent of our portfolio being LEED certified by 2020. Citi Tower's environmentally sustainable features include solar control glass to help reduce the use of energy for air conditioning, efficient lighting and lighting controls and low-VOC paints and adhesives. Citi Tower is also the first Citi project approved for WELL Silver Precertification by the International WELL Building Institute™. The WELL Standard – which is separate from yet highly complementary to LEED certification – assesses buildings for features related to health and well-being. The Tower includes many wellness-related benefits for the over 3,000 Citi employees who work at the facility, from water- and air-quality testing to a fitness center and workstations with ergonomic features.

CASE STUDY

**RENOVATING CITI'S
GLOBAL HEADQUARTERS**

Work is well underway in transforming Citi's global headquarters in New York City into a modern, world-class facility that supports our businesses and functions and enables employees to work more closely together and better serve our clients and customers. Nearly everything about our redesigned headquarters – from its design to its technology – incorporates sustainability goals and features, aligned with our Sustainable Progress Strategy. Some highlights of the many sustainability improvements include:

- Reducing our annual carbon footprint by 30 percent, in part due to a new cogeneration plant that will produce heat and electrical power
- Diverting nearly 98 percent of the waste from renovations to facilities that recover, reuse and recycle materials, to reduce the amount of construction and demolition waste that we dispose of in landfills and incineration facilities
- Redesigning and renovating the public plaza with new walkways, a multitude of seating options, and new landscaping to create a more appealing environment for our employees and neighbors in Tribeca

The renovated building will serve as home for most of our New York City employees by 2019.

Rendering of the public plaza at the lobby entrance of Citi's new headquarters at 388 Greenwich St., which will be rebuilt and re-landscaped with multiple outdoor seating areas.



Employee Engagement

Through our daily practices, environmental efforts and volunteer-led Green Teams, we work to engage employees in achieving our environmental sustainability objectives. Green Teams are employee-led groups that design and lead positive environmental initiatives tailored to their workplaces and local communities, such as recycling drives, volunteer projects, informative lectures and awareness campaigns. We have 17 Green Teams with more than 1,100 employees operating around the world. In 2016, these Green Teams held more than 250 volunteer and educational events, resulting in more than 7,200 volunteer hours dedicated to helping communities.

Companywide participation in global environmental efforts plays an important role in engaging employees. During World Wildlife Fund's Earth Hour in March, more than 3,000 Citi facilities in 94 countries participated in turning the lights off between 8:30 and 9:30 pm local time. This is the 9th consecutive year that Citi has participated in the event, and 2016 had the highest participation rate from our facilities since we joined Earth Hour in 2008.

In April 2016, in support of Earth Week, an annual campaign of environmental and sustainability events to support the globally recognized Earth Day, employees organized more than 100 events across 10 countries in all four of Citi's operating regions. More than 2,600 employees globally participated in environmentally focused events, including educational events, community projects and park cleanups, and recycling and environmental footprint reduction initiatives. In Tampa, Citi volunteers participated in a roadside cleanup with Keep Tampa Bay Beautiful, a community organization that combines education and service project opportunities in an effort to make the surrounding community cleaner and greener. Volunteers picked up 84 pounds of recyclable trash and 180 pounds of nonrecyclable trash. In Bangkok, 21 Citi volunteers participated in a workshop on improving their sustainability at home through urban farming, reducing consumption and recycling.



Citi Volunteers from Green Team in Tampa, Florida



Citi volunteers in Bangkok, Thailand



CASE STUDY

CONNECTING WELLNESS WITH ENVIRONMENTAL SUSTAINABILITY

In addition to the importance of energy efficiency and green materials, we're observing a shift toward buildings that also promote wellness as an important aspect of sustainability in building design. In keeping with this trend, we have introduced initiatives for our employees that emphasize the intersection of personal well-being and reduced environmental impact.

The Drink-Up initiative is just one effort within a broader wellness campaign for our employees. The initiative promotes hydration, but rather than stocking our breakrooms with disposable plastic water bottles, we have started converting the water fountains at our facilities to also work as bottle-filling stations. Based on the amount of water dispensed via the bottle fillers, we estimate this has avoided more than 36,000 water bottles between April and December of 2016 at our global headquarters in New York. For more information about wellness programs for our employees, see the [Talent and Diversity](#) section.

RESPONSIBLE SOURCING

Many of the material issues we've defined for our company – ethical conduct, diversity, human rights, and environmental and social risks – have just as much relevance in our supply chain as they do for the rest of our business and operations.

Enterprise Supply Chain

Our Enterprise Supply Chain (ESC) team works with our business units to support the supplier selection process, implement sustainable supplier initiatives and mitigate environmental and social risks in our supply chain. In 2015, we identified three priority areas in our supply chain that we are working to manage and measure as part of our Sustainable Progress Strategy: paper and paper products, information technology (IT) hardware and e-waste disposal, and travel and logistics. In 2016, we began additional education and training for employees to ensure global progress in these three areas.

Supplier Engagement and Evaluation

Suppliers provide critical goods and services our company needs to continue operating, and we view partnerships with our suppliers as an essential aspect of operating responsibly, meeting our sustainability goals and managing expenses. Our Statement of Supplier Principles outlines the ethical, human rights and environmental standards we expect from our suppliers. We continue to build on this foundation, seeking out suppliers that share our values and communicating to suppliers about the importance of these issues to Citi and to society. Our suppliers are required to abide by the Citi Statement on Human Rights, and our Statement of Supplier

Principles further underscores our strong commitment to human rights in our supply chain. For more information about our approach to human rights, see the Human Rights section.

We use our Corporate Responsibility Questionnaire (CRQ) to evaluate suppliers' adherence to our Statement of Supplier Principles and Code of Conduct and to gauge how well they manage a range of issues, such as environmental management, human rights, labor practices, diversity and health and safety. In addition, we include questions related to modern-day slavery in our Europe, Middle East and Africa region to meet the requirements of the U.K. Modern Slavery Act and plan to roll out these questions in other regions during 2017. Our network of Global Champions helps us adapt the questionnaire to local cultures and business norms, and we translate the CRQ into local languages to make it easier for suppliers to fill out and to enable productive follow-up conversations.

If a supplier's CRQ score is low, we communicate our concerns to the supplier and our regional sourcing manager. We typically ask suppliers to fill out the CRQ every two years. Suppliers who fall below 70 percent are asked to take action steps to improve and submit a CRQ again the following year. We often find that additional training and face-to-face dialogue can help suppliers better understand the CRQ and our expectations so they can quickly address any issues that we have flagged related to their responses. In 2016, 90 potential suppliers scored 70 percent or lower on the CRQ. We met

with each of these suppliers to review their CRQs, discuss the factors that led to their scores and outline steps necessary for them to improve their scores within a year when they will resubmit. If the necessary improvement is not achieved within that year, we escalate review to determine whether the contract should be discontinued. To ensure a consistent approach and understanding of the CRQ process and supplier evaluation, we provide training for our employees. We also provide sustainability training and education to suppliers. In 2016, we hosted several supplier summits, during which we offered training on the CRQ to both new and established suppliers.

CORPORATE RESPONSIBILITY QUESTIONNAIRE HIGHLIGHTS

NEARLY 2,400

suppliers have completed the questionnaire since it was established in 2013

The CRQ will be available to all approved suppliers worldwide by **2018**

AVAILABLE IN 14 LANGUAGES, including Arabic, English, French, German, Hungarian, Italian, Japanese, Korean, Portuguese, Russian, Spanish, Turkish and two different written Chinese formats: Simplified Chinese (China) and Traditional Chinese (Taiwan)

Data as of December 2016

REGION	CRQ SURVEYS COMPLETED	SUPPLIERS SCORING 70% OR LOWER
ASIA PACIFIC	1,700	60
EUROPE, MIDDLE EAST & AFRICA	475	25
LATIN AMERICA	180	5
NORTH AMERICA	45	0

Supplier Diversity

Our ESC organization sets clear diversity goals and embeds them in our supplier selection processes. In addition, the Citi Supply Chain Development, Inclusion and Sustainability Program gives U.S. small businesses and women-, veteran-, disability- and minority-owned firms access to business opportunities, education, mentoring and training. Working with a range of supplier-focused organizations, we identify small and diverse suppliers that can meet our supply chain needs and then help build these suppliers' capacity. In 2015 and 2016, in partnership with the New York and New Jersey Minority Supplier Development Council, Citi hosted a sustainability symposium for suppliers and corporate sustainability professionals in New York City. And in 2016, we hosted the Chief Procurement Officer Summit for the third year – an opportunity for Fortune 500 companies with an interest in supply chain diversity and inclusion efforts to share best practices and lessons learned related to supplier selection, third-party risk management concerns, supplier relationship management and cost savings, among other things. We also partnered with several of our financial services and insurance peers to host the launch of the Global Supplier Diversity Alliance, an effort by a range of supplier diversity organizations to promote global diversity.

We are also working to expand the Citi Supply Chain Development, Inclusion and Sustainability Program beyond the U.S. In 2016, we continued our global engagement with Supply Nation in Australia, entered into our second year of membership with Minority Supplier Development U.K. in the United Kingdom, joined the Canadian Aboriginal and Minority Supplier Council and joined WEConnect International, a global organization dedicated to the advancement of women-owned businesses. For each of these, there is a designated regional champion to oversee and support the relationship on a local basis. Additionally, we are working to drive awareness and support for women entrepreneurs as part of

Citi's broader partnership with UN Women. See the [Talent and Diversity](#) section for more information.

Recognition for Supplier Diversity Efforts in the U.S.

The strategic focus we have placed on our supply chain efforts, including our spend, global reach, education, training and development, led to the following recognitions in 2016:

- National Minority Supplier Development Council Gazelle Award
- National Minority Supplier Development Council Corporate Trailblazer Award
- New York and New Jersey Minority Supplier Development Council Advocate of the Year
- New York City & State CSR Awards Sustainability honoree
- New York State Sustainability honoree
- Wheeler, Wilson & Johnson Community Projects, Historically Black Colleges and Universities Corporate Trailblazer Award

TOTAL TIER 1 AND TIER 2

diverse spend for 2016 was \$828 million, with \$476 million in Tier 1 direct spend with diverse suppliers

CONDUCTED 6 TRAINING SESSIONS

on our supplier diversity and sustainability goals for our ESC employees in 2016

IDENTIFIED 7 EMPLOYEE CHAMPIONS

who share best practices and drive global awareness on key supply chain issues critical to our strategy

WHAT'S AHEAD

Because Citi operates within a global context, we must keep a constant eye on our work to minimize our environmental footprint across all of our operations worldwide. We have made significant progress in the last year in incorporating considerations of how sustainable design can impact employee well-being, and we will continue to look for cutting-edge approaches in this regard.

In terms of our supply chain, we will continue to focus on increasing the diversity of our suppliers. We have made progress in promoting global diversity among our supplier base in the U.S. and will continue to look for ways to do so globally.

One opportunity we see moving forward is how we can source more renewable energy to meet our needs. We are also considering how a renewable energy sourcing goal could help us realize the impact we'd like to see in the coming years. While these efforts could be impacted by any shifts in the policy landscape of the many countries in which we operate, there is potential to expand this work in line with our broader sustainability goals.

Performance Against Our Sustainable Progress Scorecard for Operations and Supply Chain

OPERATIONS

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

GOAL	METRIC	BY	PROGRESS
Environmental footprint (From a 2005 baseline)	35% reduction in absolute Scope 1 and Scope 2 GHG emissions	2020	28.5%*
	30% reduction in energy consumption	2020	25.1%
	30% reduction in water consumption	2020	24.7%
	10% of water used coming from reclaimed/recycled sources	2020	3.8%
	60% diversion of waste stream to landfill	2020	60.7%**
	33% of global real estate portfolio LEED certified	2020	20.0%

* 34.7% with offsets

** Diversion ratio met

SUPPLY CHAIN

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	2017	Statement update in process; on track to be finalized and disseminated by the end of 2017
Integration of supplier principles into master contracts	Number and percentage of contracts	2018	In progress
CRQ rolled out to all regions	Percentage of suppliers	2018	CRQ rolled out to all regions (EMEA, APAC, LATAM and NAM) during 2016; expansion to additional countries forecast for 2017 with 100% completion estimated by the end of 2018
Internal/external training	Enterprise supply chain employees trained	2018	During 2016, completed a refresh of internal training templates with the aim to deploy them during 2017
	Suppliers in all regions	2018	During 2016, held training sessions with suppliers in NAM (2) and LATAM (5); planning additional sessions during 2017 with inclusion of EMEA and APAC

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

See our [2015 report](#) to compare our progress in 2015.

Progress on Our Goals

PROGRESS IN 2016 AGAINST 2020 GOALS

FROM A 2005 BASELINE	PROGRESS
35% reduction in absolute Scope 1 & Scope 2 GHG emissions	28.5%*
30% reduction in energy consumption	25.1%
60% diversion of waste stream to landfill	60.7%**
30% reduction in water consumption	24.7%
10% of water used coming from recycled/reclaimed sources	3.8%
33% of global real estate portfolio LEED certified	20.0%

* 34.7% with offsets

** Diversion ratio met

REGIONAL OPERATIONAL ENVIRONMENTAL PERFORMANCE

Region	GHG Emissions Location-Based (mt)	GHG Emissions Market-Based (mt)	Total Energy Consumption (GWh)	Total Water Consumption (m3)	Total Waste (mt)
North America	369,415	332,089	863	2,657,650	34,522
Latin America	126,368	96,423	314	1,227,380	11,071
Asia Pacific	206,557	201,300	327	816,739	6,767
Europe, Middle East & Africa	86,213	70,552	217	426,419	3,910

GHG EMISSIONS (SCOPE 1 AND 2) BY REGION IN 2016

Region	Scope 1 CO ₂ e	Scope 2 CO ₂ e (Location-Based)	Scope 2 CO ₂ e (Market-Based)†	Total CO ₂ e (Location-Based)	Total CO ₂ e (Market-Based)
North America	15,528	353,887	316,560	369,415	332,089
Latin America	2,561	123,807	93,862	126,368	96,423
Asia Pacific	1,636	204,921	199,664	206,557	201,300
Europe, Middle East & Africa	4,551	81,662	66,001	86,213	70,552

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

LEED-CERTIFIED BUILDINGS BY REGION††

REGION	CERTIFIED	SILVER	GOLD	PLATINUM	TOTAL
North America	27	28	66	1	122
Latin America	2	3	6	0	11
Asia Pacific	4	9	31	9	53
Europe, Middle East & Africa	2	4	14	6	26
Total	35	44	117	16	212

LEED-CERTIFIED BUILDINGS BY BUILDING TYPE††

BUILDING TYPE	2010	2011	2012	2013	2014	2015	2016
Data Centers (DC)	0	0	0	1	0	0	1
DC File Storage	0	0	0	0	0	0	0
Office Buildings	4	13	9	14	13	14	6
Operational Centers	2	0	2	0	3	1	1
Branches	7	8	21	0	23	11	23
Total	13	21	32	15	39	26	31
Cumulative Total	48	69	101	116	155	181	212

†† This is based on the active buildings in the portfolio by year-end 2016 and excludes projects for inactive and disposed buildings.

ELECTRICITY CONSUMPTION AMOUNTS APPLIED TO MARKET-BASED EMISSION FACTOR TYPES

2016 Electricity Consumption (kWh)

EMISSIONS FACTOR BASIS	ELECTRICITY	STEAM	CHILLED WATER	TOTAL	% OF TOTAL CONSUMPTION
RECs or Other Energy Attribute Certificate	104,825,872	0	0	104,825,872	6%
PPA or Source Contract	104,349,009	0	0	104,349,009	6%
Supplier Specific	170,352,308	0	8,546,673	178,898,980	11%
Steam Default	0	32,745,027	0	32,745,027	2%
Residual Mix	51,196,039	0	6,236	51,202,276	3%
Grid Average	1,119,172,655	0	22,099,183	1,141,271,838	71%
Total	1,549,895,883	32,745,027	30,652,092	1,613,293,001	100%

Environmental Impact Report

	2005	2011	2012	2013	2014	2015	2016
Operating Sq. Ft.	71,978,507	62,758,624	61,476,361	57,689,984	54,888,730	52,399,026	50,354,101
Headcount	344,650	342,546	306,370	235,054	225,750	224,740	219,056
ABSOLUTE INDICATORS							
ENERGY							
Electricity (GWh)	2,005	1,924	1,874	1,774	1,693	1,618	1,550
District Heating (Steam & Chilled Water)	87	62	62	57	60	62	63
Energy Purchased (GWh) - Scope 2	2,092	1,985	1,936	1,831	1,753	1,680	1,613
Natural Gas (GWh)	157	122	93	94	90	82	77
Fuel Oil (GWh)	51	42	56	42	37	37	31
Energy Consumed (GWh) - Scope 1	208	164	149	136	126	120	108
Total Energy (GWh)	2,300	2,149	2,085	1,967	1,879	1,800	1,721
CO₂e EMISSIONS*							
Direct CO ₂ e (GHG Scope 1) (Gas & Fuel Oil)	45,926	36,301	34,480	30,692	28,408	27,116	24,276
Indirect CO ₂ e (GHG Scope 2) (Electricity, Steam and Chilled Water)	1,056,596	954,527	920,929	871,580	836,053	803,880	764,277
Total CO₂e (mt)	1,102,522	990,829	955,409	902,271	864,461	830,996	788,553
Green Power Offsets (CO ₂ e)	5,953	56,882	98,450	101,642	96,038	77,909	72,872
Net CO₂e (mt)	1,096,569	933,947	856,959	800,629	768,422	753,087	715,681
WATER CONSUMPTION							
Potable Water (m ³)	6,795,417	6,052,253	6,318,183	6,016,014	5,408,693	5,219,056	4,935,857
Non-Potable Water (m ³)	13,014	14,899	21,414	20,433	20,784	57,822	192,330
Total Water Consumption (m³)	6,808,431	6,067,152	6,339,597	6,036,447	5,429,476	5,276,878	5,128,188
WASTE							
ONECITI Construction Recycling (mt)	0	0	0	0	0	0	15,251
Recycled Office Paper (mt)	6,230	17,676	14,068	16,846	16,629	15,009	11,753
Total Recycling (mt) 2016							27,004
ONECITI Construction Waste (mt)	0	0	0	0	0	0	661
Refuse and Other (mt)	58,670	38,988	35,420	32,668	31,288	30,332	28,606
Total Waste (mt) 2016							29,267
Total Waste (mt)	64,900	56,665	49,488	49,514	47,917	45,341	56,271
RELATIVE INDICATORS							
TOTAL ENERGY CONSUMED							
KWh/Rentable Sq. Ft.	31.96	34.24	33.92	34.09	34.24	34.35	34.18
KWh/Headcount	6,674.00	6,272.91	6,805.89	8,368.02	8,324.42	8,008.63	7,857.94
NET CO₂e							
Metric Tons/Rentable Sq. Ft.	0.0153	0.0158	0.0155	0.0156	0.0157	0.0159	0.0157
Metric Tons/Headcount	3.20	2.89	3.12	3.84	3.83	3.70	3.60
SCOPE 3 EMISSIONS							
Business Air Travel CO ₂ e (mt)	NA	119,179	123,302	150,967	178,694	109,687	135,735
Business Train Travel CO ₂ e (mt)	NA	NA	NA	5,335	6,651	1,605	2,125
THERMAL POWER							
30-year Plant Life CO ₂	NA	7.4	.0	9.7	.0	9.6	7.8
60-year Plant Life CO ₂	NA	14.8	.0	19.4	.0	19.2	15.5

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

SOLUTIONS FOR IMPACT

Society is facing the interconnected challenges of rising wealth inequality, rapid urbanization and climate change. As one of the world's leading financial services companies, Citi is well-positioned to address these complex challenges through our core finance and investment activities. Whether it is providing capital for large infrastructure projects or lending to a small business owner, we increasingly see these activities as potential solutions to global issues, delivering positive impact for society and the environment through products and services that create value for individuals and communities. There is still much work to be done, but we believe that by addressing the challenges of today, we can find greater opportunities for tomorrow.

ENVIRONMENTAL FINANCE

We feel strongly that Citi can, and must, make a positive impact by using our banking products and services to finance a more environmentally sustainable economy. One of the pillars of our Sustainable Progress Strategy is Environmental Finance, which focuses on Citi's client offerings that help combat climate change and provide other environmental benefits. We track this activity throughout the company as part of our flagship \$100 Billion Environmental Finance Goal.



2016 HIGHLIGHTS



FINANCED & FACILITATED

\$26.3 B

as part of our \$100 Billion
Environmental Finance Goal

Facilitated

\$5.9 B

IN GREEN BONDS

for environmentally
responsible projects

Financed

FIRST-OF-ITS-KIND PROJECTS

like the Block Island Wind
Farm Project, the first

OFFSHORE WIND FARM

in the U.S.

CITI'S \$100 BILLION ENVIRONMENTAL FINANCE GOAL

In 2015, Citi announced our \$100 Billion Environmental Finance Goal to lend, invest and facilitate \$100 billion over 10 years in activities that reduce the impacts of climate change and create environmental solutions in collaboration with our clients. Large-scale projects that support renewable energy generation, green building and mass transit solutions – the types of activities that are counted towards the goal under our environmental criteria – are an integral part of the response by both the private and public sectors to address the challenge of climate change and other environmental issues.

Since announcing our goal, we have recorded environmental finance activity of \$97.5 billion, \$26.3 billion of which took place in 2016. In fact, we have nearly achieved our goal in three years due to the unprecedented growth of environmental finance markets – including renewable energy finance and green bonds – and the ambitions of our clients. Although we are on track to achieve our goal in 2017, we are challenging ourselves by adopting a new methodology that counts only Citi's share of a transaction rather than total deal value. This approach is based on established finance sector league table accounting, rather than total deal value.

This approach better captures the direct impact of our work. Applying this methodology, our 2016 share was \$17.9 billion, while our adjusted overall finance activity since 2014 is \$41.2 billion. We will continue to measure environmental and social impacts associated with the deals counted toward the goal. These measures reflect both our commitment to addressing climate change through our business, and a willingness to learn and adapt as the field of environmental finance continues to evolve.

The Goal from a Global Perspective

Curtailling greenhouse gas emissions through greater development of energy-efficient buildings, transportation infrastructure and clean energy sources will be a crucial part of global commitments to climate action, including the Sustainable Development Goals and the Paris Agreement to keep the average global temperature increase below 2°C compared to pre-industrial levels. There is a large need for financial solutions to fulfill these commitments, and Citi and our clients can play an important role in bringing such projects to fruition. In relation to the SDGs, our environmental finance efforts are directly aligned with **Goal 7 (Affordable and Clean Energy)** and **Goal 13 (Climate Action)**.



ACHIEVING OUR GOAL

The Corporate Sustainability team works in close partnership with a range of Citi business units across the firm to track, on a quarterly basis, the deals that meet the goal's criteria. These deals are carefully reviewed and considered for inclusion.

Although many deals under the \$100 Billion Environmental Finance Goal reflect day-to-day business activity that would have taken place regardless, by setting this goal we have been able to more proactively engage and collaborate with clients and others on the issues of climate change and sustainability. The goal has also given us the opportunity to begin measuring the impacts of our environmental finance activities and drive increased dialogue on the value of environmental finance among our customers, competitors and other stakeholders.

There are a number of ways that our business units contribute to our goal. Two examples of Citi's leadership in environmental finance are our engagement in alternative energy finance and the growth of green bonds.

CRITERIA FOR THE \$100 BILLION ENVIRONMENTAL FINANCE GOAL

When we launched the \$100 Billion Environmental Finance Goal, we established environmental criteria to identify activities that would count toward the goal. Projects may qualify toward the goal if they finance one or more of the following:

1. Renewable Energy
2. Energy Efficiency
3. Sustainable Transportation
4. Water Quality & Conservation
5. Clean Technology
6. Green Building

Alternative Energy Finance

Citi provides a full range of financing solutions for environmental projects globally, and we continue to develop innovative, end-to-end solutions to meet our clients' unique financing needs. Our Alternative Energy Finance team has developed extensive expertise in financing solutions for a broad spectrum of renewable energy technologies, including wind, solar, geothermal and biomass. For larger, utility-scale projects, such as the Mariah North Wind Project in Parmer County, Texas, we are able to provide multiple services as a "one-stop shop" for our clients, providing construction financing, commodities hedging and tax equity on a single deal. By accessing multiple services from a single provider, our clients are able to reduce transaction costs, thereby enhancing project returns.

Green Bonds

Citi has been the second-largest underwriter of corporate green bonds globally for the past two years. We also cofounded the [Green Bond Principles](#), which provides issuers with guidelines encouraging transparency, and are an active member of its Social Bond Working Group. In 2016, as part of that group, we worked on the release of the Social Bond Guidance document to support the growth of the emerging social and sustainable bond market and helped our clients raise \$5.9 billion through green bonds to meet their environmental and commercial goals.

BRINGING GREEN BONDS TO NEW MARKETS

In 2016, Citi continued to help clients in new markets issue green bonds for the first time. Citi helped Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB), Turkey's first privately owned development and investment bank, issue the first-ever public benchmark sustainability/green bond for the Central and Eastern Europe, Middle East and Africa region, supporting its goal of being a leading bank in Turkey's sustainable development. Proceeds from this bond will be allocated toward refinancing and funding new projects that address climate change mitigation and adaptation, as well as sustainable infrastructure. The green nature of the offering allowed TSKB to save up to 20 basis points versus senior pricing on this \$300 million, five-year green bond. This pioneering transaction won the International Financing Review's 2016 Socially Responsible Investing Bond of the Year Award.

Sustainable Progress Framework and Scorecard

Environmental Finance

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

GOAL	METRIC	STATUS	PROGRESS (CUMULATIVE 2014-2016)
Environmental finance goal	\$100 billion	Ongoing	\$97.5 billion
Environmental impact tracking*	Total annual CO ₂ e emissions avoided	Ongoing	9.1 million (mt)
Social impact tracking*	Jobs supported by renewable energy project finance and tax equity activity (includes direct, indirect and induced jobs)	Ongoing	46,193 jobs
	Annual riders on transit system projects	Ongoing	7.3 billion rides
	People serviced by water-quality projects	Ongoing	63.9 million people
	Families serviced by affordable housing activity	Ongoing	19,954 families
	Total miles traveled on Citi Bike	Ongoing	62.5 million miles

* These potential impacts represent the positive environmental and social benefits of a subset of our environmental finance transactions. See our [2015 report](#) to compare our progress in 2014 and 2015.

Breakdown of Environmental Finance Activities

BY REGION

TOTAL DEAL VALUE

	2014		2015		2016		TOTAL	
	Billions	%	Billions	%	Billions	%	Billions	%
North America	\$9.5	40%	\$20.9	44%	\$16.0	61%	\$46.5	48%
Europe, Middle East & Africa	\$9.2	39%	\$14.7	31%	\$5.9	22%	\$29.8	31%
Asia Pacific	\$0.7	3%	\$0.1	0%	\$3.9	15%	\$4.7	5%
Latin America	\$0.1	1%	\$0.6	1%	\$0.4	2%	\$1.2	1%
Multiple Regions	\$4.0	17%	\$11.3	24%	\$0.1	0%	\$15.4	16%
TOTAL	\$23.6	100%	\$47.6	100%	\$26.3	100%	\$97.5	100%

BY ENVIRONMENTAL CATEGORY

TOTAL DEAL VALUE

	2014		2015		2016		TOTAL	
	Billions	%	Billions	%	Billions	%	Billions	%
Wind	\$5.8	25%	\$11.7	25%	\$4.2	16%	\$21.7	22%
Solar	\$3.1	13%	\$6.2	13%	\$6.4	24%	\$15.7	16%
Sustainable Transportation	\$2.3	10%	\$4.2	9%	\$2.0	8%	\$8.5	9%
Water Quality and Conservation	\$0.8	3%	\$1.9	4%	\$3.3	12%	\$6.0	6%
Green Housing	\$0.6	3%	\$1.6	3%	\$2.5	9%	\$4.7	5%
Energy Efficiency	\$0.3	1%	\$0.5	1%	\$0.3	1%	\$1.1	1%
Citi Operations	\$0.2	1%	\$0.2	0%	\$0.3	1%	\$0.7	1%
Multiple Categories*	\$10.4	44%	\$21.3	45%	\$7.5	28%	\$39.2	40%
TOTAL	\$23.6	100%	\$47.6	100%	\$26.3	100%	\$97.5	100%

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

BY BUSINESS

TOTAL DEAL VALUE

	2014		2015		2016		TOTAL	
	Billions	%	Billions	%	Billions	%	Billions	%
Banking and Capital Markets	\$11.5	49%	\$31.8	67%	\$11.8	45%	\$55.1	57%
Green Bonds	\$9.5	40%	\$8.0	17%	\$5.9	22%	\$23.4	24%
Public Finance	\$1.7	7%	\$6.9	14%	\$7.4	28%	\$16.0	16%
Commodities	\$0.2	1%	\$0.5	1%	\$0.5	2%	\$1.2	1%
Consumer/Commercial Banking	\$0.4	2%	\$0.3	1%	\$0.4	1%	\$1.0	1%
Citi Operations	\$0.2	1%	\$0.2	0%	\$0.3	1%	\$0.7	1%
Other	\$0.1	0%	\$0.0	0%	\$0.0	0%	\$0.1	0%
TOTAL	\$23.6	100%	\$47.6	100%	\$26.3	100%	\$97.5	100%

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

\$100 Billion Environmental Finance Goal

ENVIRONMENTAL IMPACTS*

Greenhouse Gases Avoided (mt)

BUSINESS	2014	2015	2016	TOTAL
Banking and capital markets				
Alternative energy project finance and tax equity	3,450,713	2,686,335	574,627	6,711,675
Other banking and capital markets	1,995	0	0	1,995
Commodities	197,485	1,280,366	907,433	2,385,284
Other	3,224	4,352	7,166	14,742
Public finance	3,065	5,739	2,075	10,880
Consumer/Commercial Banking	3,182	2,981	3,455	9,618
TOTAL	3,659,663	3,979,773	1,494,756	9,134,192

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

SOCIAL IMPACTS*

	2014	2015	2016	TOTAL
Jobs supported by renewable energy project finance and tax equity activity (includes direct, indirect and induced jobs)	17,269	14,640	14,284	46,193
Annual riders on transit system projects	143,739,841	4,075,493,683	3,128,031,314	7,347,264,838
People serviced by water-quality projects	13,914,915	20,863,570	28,831,321	63,609,806
Families serviced by affordable housing activity	3,485	4,498	11,971	19,954
Total miles traveled on Citi Bike	13,667,643	18,452,241	30,380,415	62,500,299

For more information on Citi's environmental and social impact methodology, see our [Finance Accounting and Impact Methodologies](#) webpage.

* 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.

Environmental and Social Impacts

We measure the environmental and social impacts associated with many of the transactions that contribute to our environmental finance goal. Through a multi-stakeholder process, we identified greenhouse gas emissions reduced, jobs supported and additional community benefits as key areas of impact. We developed methodologies for acquiring the necessary data and created models to calculate estimated impacts. These metrics represent the potential positive environmental and social benefits associated with our clients' environmental finance activity, and we are closely tracking best practices in impact measurement to see how we can continue to develop our own approach.

SOLAR AT ALL SIZES

In 2016, Citi provided tax equity financing for residential rooftop solar systems with approximately 159 megawatts in capacity to be installed across the U.S. In addition to providing financing solutions in the residential rooftop space, Citi successfully closed its first Property Assessed Clean Energy (PACE) tax equity transaction in the Small and Medium-Sized Businesses sector, representing the first solar tax equity structure that incorporates PACE mechanics.

On utility-scale renewable projects, Citi continues to be a key player in the space, providing tax equity financing for over 525 megawatts of solar and wind projects across the U.S. in 2016. For example, Citi provided tax equity financing to a solar PV facility developed by Clenera. This is Idaho's largest solar project, Grand View Solar Farm, at 108 MW DC. The project is estimated to provide electrical power to approximately 17,712 homes in Idaho while setting a precedent for utility-scale projects in Idaho's emerging solar market.

CASE STUDY

CLOSING THE LOOP

More companies are considering how they can incorporate recycled product and packaging materials back into their supply chain to form a "closed loop" or circular economy, but the challenge of effective, economically viable recycling continues to be a barrier to a truly closed-loop approach.

rPlanet Earth is one company bringing an innovative new approach to address this barrier to a more sustainable economy. With financing from Citi and other investors, rPlanet Earth will build its first polyethylene terephthalate (PET) recycling facility in Vernon, California. PET is a type of polyester used in clothing, containers for food and liquids, and a variety of other materials. The company's technologically advanced and highly efficient equipment is able to process a variety

of different types of PET – from raw material feedstock to finished products – without costly intermediaries, enabling them to offer competitively priced recycled PET suitable for bottles and packaging to a range of consumer-industry customers.

The new rPlanet Earth facility, expected to open in 2017, will be the country's first vertically integrated PET recycling plant and is expected to create over 100 high-quality jobs. Financing for the project was structured through the New Market Tax Credit Program, a federal initiative designed to spur private investment in support of low-income communities. Citi invested over \$14 million, while New Markets Community Capital, MBS Urban Initiatives and private investors provided the remainder of the capital.



WHAT'S AHEAD

As companies and cities strive to meet their own climate change goals and contribute to national government commitments to a low-carbon economy under the Paris Agreement, we expect the renewable energy and energy efficiency markets to continue to grow. These shifts toward increased climate action pose both challenges and opportunities for Citi and our public- and private-sector clients. Finding ways to translate traditional financing approaches into agile, effective mechanisms that enable sustainable technology projects will be a continuing area of innovation for Citi.

Renewable energy, energy efficiency and clean tech solutions are maturing rapidly, but are not yet at the level needed to keep warming to the 2°C level. Emerging solutions, such as community solar and energy storage, are becoming market-ready and scalable, but they could require new financing and risk structures and will also require broader energy sector transformation. Meeting these challenges will require increased skills development internally, additional collaboration with key partners externally, and an ongoing commitment to applying our core expertise and activities to create economic growth and progress.

CASE STUDY

BRINGING OFFSHORE WIND POWER TO THE U.S.

In October 2016, Citi provided financing for the construction and operation of Deepwater Wind's Block Island Wind Farm, the first-ever U.S. offshore wind farm. Citi participated in the construction loan and provided tax equity financing along with GE. Block Island is a 30-megawatt wind farm, which utilizes five GE turbines and is located three miles off the coast of Block Island, Rhode Island. Each wind turbine is 600 feet (180 meters) high and can withstand a Category 3 storm.

This is a landmark transaction in U.S. renewable power history, and representative of the continuing growth of renewable energy development. The offshore installation took two years, with more than 300 local workers helping to develop, build and commission the project, according to Deepwater Wind. An independent report by the local Block Island government indicates that the Block Island Wind Farm will lower carbon dioxide emissions by 40,000 tons each year and is expected to save Block Islanders as much as 40 percent on energy bills.

The wind farm has executed a 20-year Power Purchase Agreement with the Narragansett Electric Company and started delivering power in December 2016.

INCLUSIVE COMMUNITIES

Since our founding in 1812, Citi has been deeply invested in the communities where we live and work. It's where our employees' children go to school and where our customers open businesses and buy homes.

Increasing populations, a widening wealth gap and aging infrastructure are all significant hurdles to the ability of communities to sustainably grow and for residents to access opportunities for economic advancement. At the same time, the resources already present in communities, including knowledge, capital and diversity, are powerful tools for creating innovative solutions to these pressing issues. With this in mind, we work to make communities around the world stronger through financing and direct investment, as well as through collaborations with public, private and community partners.

Through our business, including the Municipal Securities Division and the Public Sector Group, we provide financing and support to governments and institutions. Through specialized functions – including Citi Community Development, Citi Inclusive Finance and our Global Government Affairs team, as well as the work of the Citi Foundation – we work with community partners, policymakers and leading thinkers to provide resources and expertise to test new approaches and promote policies that can catalyze economic opportunity.

Our engagement with clients and community partners goes much deeper than simply financing projects. We roll up our sleeves and work with them to develop and execute ideas that drive progress. While not every idea leads to a scalable solution, our objective is to uncover new ideas and ways of working that can strengthen communities.

2016 HIGHLIGHTS



Launched the
**CITI FOUNDATION COMMUNITY
PROGRESS MAKERS FUND,**

a two-year,

\$20 M

initiative to support local organizations working to build more sustainable cities in the U.S.

**RANKED TOP U.S. AFFORDABLE
HOUSING LENDER FOR THE 7TH YEAR**

Financed

\$5.75 B

of affordable housing, totaling nearly 50,000 units

INCREASED SMALL BUSINESS LENDING

in the U.S. to more than

\$11 B,

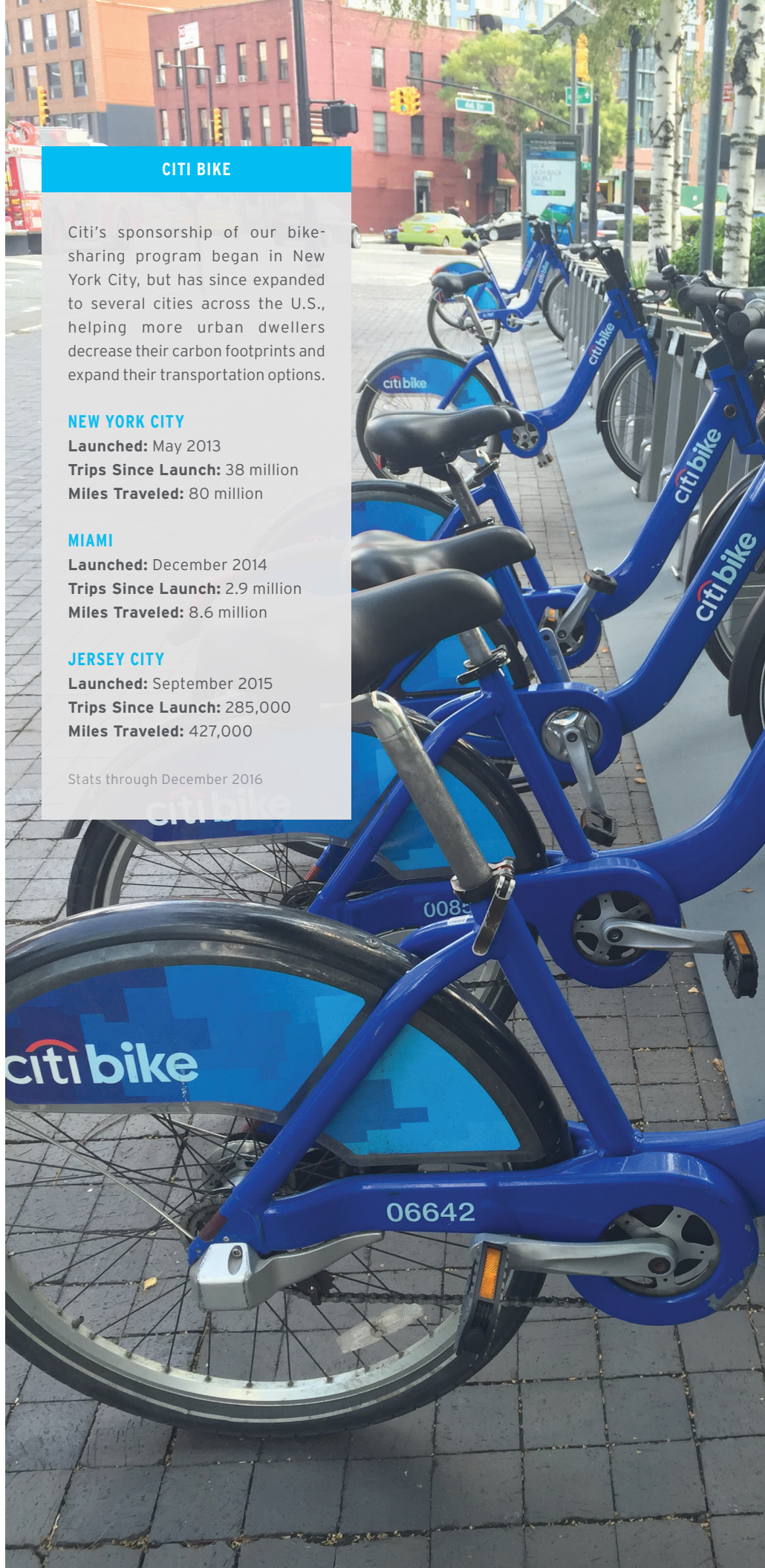
raising lending over the last five years to nearly \$50 billion

CHAMPIONING THEMATIC BONDS

Citi has championed the use of thematic bonds based on socially responsible issues or “themes,” including green bonds, as a financing tool to help clients raise funds in the capital markets for social and environmental issues. We have been leaders and innovators in this space since 2012, when we first helped a client issue a socially responsible investing corporate bond.

In 2016, Citi helped the International Finance Facility for Immunisation to raise \$500 million through a three-year Vaccine Bond that gave investors the opportunity to fund immunization programs at Gavi, the Vaccine Alliance, which delivers vaccines that protect millions of children in the world’s poorest countries against preventable diseases. We also financed nearly \$6 billion in green bonds. For more information on green bonds, see the Environmental Finance section.

Citi is also a member of the Green Bond Principles’ Social Bond Working Group, which developed the document *Guidance for Issuers of Social Bonds* in 2016. This document expands the concepts behind the Green Bond Principles to help address other social objectives beyond the environment. With this guidance, we hope more clients will leverage social thematic bonds as a tool to raise capital to address social challenges in the future.



CITI BIKE

Citi’s sponsorship of our bike-sharing program began in New York City, but has since expanded to several cities across the U.S., helping more urban dwellers decrease their carbon footprints and expand their transportation options.

NEW YORK CITY

Launched: May 2013
Trips Since Launch: 38 million
Miles Traveled: 80 million

MIAMI

Launched: December 2014
Trips Since Launch: 2.9 million
Miles Traveled: 8.6 million

JERSEY CITY

Launched: September 2015
Trips Since Launch: 285,000
Miles Traveled: 427,000

Stats through December 2016

SUPPORTING SMALL BUSINESSES

Companies with 250 employees or fewer account for around 46 percent of the country's private-sector employment,⁵ yet many small businesses struggle to access the capital that allows them to grow and, in turn, help communities prosper.

Financing Small Businesses

Citi continues to deepen its commitment to small businesses by responsibly providing capital – through loans, lines of credit and other products and services – to as many small business customers as possible to help their businesses thrive. Citi increased small business lending in the U.S. to more than \$11 billion in 2016, raising lending over the last five years to nearly \$50 billion.

Digital Financing Solutions

Our digital financial solutions are also connecting small businesses to new opportunities by reducing costs and creating efficiencies. For example, Citi worked with the government of Dubai in the United Arab Emirates to introduce a smart payment solution to improve the efficiency of their payment and procurement processes. The solution allowed suppliers to be paid more quickly, which opened the door for smaller suppliers and greater overall diversity of companies working in the government supply chain.

Citi's digital payment systems are also providing formerly unbanked small businesses access to the formal financial sector. In Latin America, hundreds of thousands of small business owners run informal corner stores, called *tiendas de barrio*, selling everyday consumer products. Most of these business owners do not have bank accounts and instead rely on cash to pay for

inventory. As a result, they not only struggle to save money and grow their businesses, but are also often at risk of theft when holding money to pay distributors. Citi Latin America used existing Citi payment systems and mobile platform technology provided by PAQ, a Guatemala-based company, to pilot a secure mobile platform tailored for small shop owners. Pilot users in Guatemala and Peru can transmit mobile payments through SMS messages, decreasing the need to carry cash. The service not only helps bring these small business owners into the formal banking sector, but also provides users the potential for greater economic well-being.

Creating an Enabling Environment

Citi also supports programs that help create an enabling environment for the growth of small businesses. In New York City, education, access to capital and affordable space are all obstacles to pursuing formal businesses for entrepreneurial New York City Housing Authority (NYCHA) residents. With support from Citi, NYCHA, the largest public housing authority in North America, created Food Business Pathways, a free business accelerator program that empowers these residents to start and grow food businesses by providing them with a range of resources, including business training, coaching and necessary permits, at no cost. To date, 92 businesses have been formed and 140 people – 90 percent of them women – have graduated from the program. This impactful approach has been replicated for Childcare Business Pathways, a program that connects public housing residents with the resources to launch home-based childcare businesses across the city.

In the San Francisco Bay Area, Citi is providing financial support to help local nonprofit SFMade scale its work in building a vibrant manufacturing sector to create more entry-level and middle-class jobs and opportunities for business ownership. Besides funding support, Citi fostered connections between SFMade and municipal leaders and advertised the organization's and its members' work in Citibank branches in the San Francisco area. In 2016, SFMade and the cities and mayors of San Francisco, San Jose, Oakland and Fremont announced a three-year, Bay Area-wide manufacturing initiative called the Bay Area Urban Manufacturing Initiative, as well as the results from the first-ever Bay Area State of Urban Manufacturing Report.



BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

As a bank, we help to build economic prosperity and support job growth in communities around the world by financing growth and progress every day. Access to financial services for small businesses is a core part of SDG 9. Target 8.3 of SDG 8 and target 9.3 of SDG 9 are both dedicated to increasing access to financial services to the full range of enterprises, micro- to small-scale industrial and others. Small businesses are key drivers of growth, innovation and job creation in many parts of the world, but they face hurdles to accessing financial services, and we provide capital and other financial services to companies of all sizes across all industries. Citi and the Citi Foundation are working to address the challenges faced by micro and small businesses in accessing capital and other resources. For example, Citi's Inclusive Finance unit is dedicated to developing innovative solutions that give unbanked and underbanked micro and small businesses access to financial products and services.

⁵ Citi Global Perspectives and Solutions Report, *Infrastructure for Growth*, October 2016.

INFRASTRUCTURE FINANCE AND INVESTMENT

Globally, the amount spent on infrastructure as a percentage of GDP has declined in recent years even though there is an enormous social need for infrastructure investments, which have the capacity to improve the lives of those living in underserved areas and stimulate local economies. Currently, over 1.5 billion people live without access to electricity, nearly 1 billion lack safe drinking water and more than 2.5 billion have no access to basic sanitation.⁶ As much as \$59 trillion⁷ in global infrastructure investment will be needed over the next 15 years as current infrastructure ages and the population

increases. Furthermore, outdated or ineffective infrastructure can have a negative impact on both the economic and social health of communities. In a Citi Global Perspectives and Solutions (Citi GPS) report, *Infrastructure for Growth*, published in October 2016, we made the case for investment in infrastructure and explored ways in which we can overcome the barriers to greater investment in global infrastructure, including transportation, telecommunications, energy and water and sanitation. Citi finances and makes direct investments in infrastructure in cities and communities around the world, funding \$42.6 billion worth of infrastructure projects in 2016.

RESTORING LAGUARDIA AIRPORT

New York City's LaGuardia Airport is one of the nation's busiest. Passenger activity grew nearly 20 percent between 2011 and 2015, straining the airport's capacity and facilities. In July 2015, based on the recommendations of Governor Cuomo's Airport Advisory Council, plans were announced to rebuild and renovate the airport at a cost of around \$4 billion.

In 2016, the New York Transportation Development Corporation sold approximately \$2.5 billion of debt to finance the redevelopment of Terminal B, the airport's main terminal. Utilizing our experience developing large-scale transportation projects around the world, Citi served as the bookrunning senior manager of this deal, a public-private partnership (PPP) between the Port Authority of New York and New Jersey and the LaGuardia Gateway Partnership. A total of 150 investors participated in the transaction, the largest-ever PPP deal in the U.S. Once fully operational, the new terminal will be more than 60 percent larger than the existing terminal and will ease airport congestion and improve the passenger experience.



⁶ Citi Global Perspectives and Solutions Report, *Infrastructure for Growth*, October 2016.

⁷ Ibid.

An aerial photograph of a city at dusk. The sky is filled with soft, orange and yellow clouds. In the foreground, a cable-stayed bridge with a tall, illuminated pylon and colorful cables spans across the scene. Below the bridge, a dense urban area is visible, with numerous buildings of varying heights and styles. Many windows are lit up, and streetlights are on, creating a warm, glowing atmosphere. The city extends into the distance, with lights from other buildings and structures visible against the darkening sky.

POWERING SOUTH AFRICA

While access to power across South Africa is fairly widespread, the reliability of the power is often tenuous. In addition, access is fairly limited in surrounding nations. Citi, in partnership with the African Development Bank and various commercial lenders, provided financing to Eskom, South Africa's power utility and primary supplier of electricity, to improve and expand its energy transmission network. Financing will ultimately allow Eskom to further develop its electricity generation capabilities in South Africa and across the sub-Saharan region, thus increasing industrialization and job creation as well as energy reliability and overall quality of life for people in those areas. This project is a part of the [New Deal on Energy for Africa](#), which aims to achieve universal access to energy in Africa by 2025.

SUPPORTING MUNICIPAL AND COMMUNITY INNOVATION

Local governments often face some of the most complex urban issues: lack of affordable housing, unemployment, degraded infrastructure and strained healthcare systems. But as budgets tighten, municipal leaders and community organizations are under immense pressure to do more with less. In order to meet the changing needs of residents, particularly in lower-income communities, local governments and community organizations need to increase collaboration and invest in new, efficient solutions.

City Accelerator, an initiative of the Citi Foundation and Living Cities, has brought together municipal leaders from 12 U.S. cities to test new ways to drive sustainable growth while increasing economic opportunity for lower-income residents since 2014. For example, the city of Philadelphia – one of three cities to finish the program in 2016 – used the City Accelerator program to explore new ways to increase citizen participation in obtaining subsidies. City officials tested the use of text messages and innovative marketing tactics to ensure low-income seniors were signing up for subsidies offering a 25 percent reduction in their water bills. As a result, participation in the program doubled, and hundreds of Philadelphia's most vulnerable seniors are now receiving a discount that will make managing their household bills easier.

Community organizations also play a critical role in making communities more resilient. In 2016, the Citi Foundation launched the Community Progress Makers Fund – a two-year, \$20 million initiative to help these organizations scale, innovate and impact more people. The inaugural group of 40 grantees is working on a range of issues, from economic development and affordable housing to environmental sustainability and financial inclusion, in six major cities across the U.S. Grantees receive general operating support grants of \$500,000 over two years, in addition to access to skills-based, pro-bono Citi volunteer teams and technical assistance from a network of national experts.

GREEN BOND FUNDS TRANSIT GROWTH

Thematic bonds can play a valuable role in helping municipal leaders finance innovations and opportunities for economic progress in their communities. Sound Transit, the regional public transit authority, serving the urban areas of King, Pierce and Snohomish counties in Washington state, is responsible for developing and operating a regional, high-capacity transit system in the high-growth area of Seattle and the surrounding metropolitan area. Over 2.9 million people live in this region, which continues to see significant economic and population growth along with significant congestion. In 2016, Citi helped bring to market a \$400 million green bond that will support the expansion of light rail, commuter rail and bus operations in the region, where the agency's overall ridership increased by 27 percent from 2015 to 2016.

This bond financing will help to fund vital expansions to points north, south and east of the existing line. Sound Transit's planned use of bond proceeds adheres to its Sustainability Plan, which aims to reduce car trips by carrying more transit riders, supporting smart regional growth, fostering transit-oriented development, designing and building greener projects, and operating fleets and facilities more efficiently. The expansion makes transportation in the Seattle metropolitan region more sustainable by saving its riders 15 million gallons of gasoline per year by removing the equivalent of 28,400 cars from the road each year.



MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

It is estimated that significant infrastructure investment will be needed to meet the rising demand of a growing population and to create climate-resilient cities – critical elements of SDG 11. However, the cost and complexity of this type of investment often prevents cities from building the necessary infrastructure.

In 2015, the Citi Foundation seeded a partnership with the World Resources Institute's Center for Sustainable Cities, a leading environmental research think tank, and C40 Cities, an organization that connects 90 of the world's greatest cities to address climate change, to form the Financing Sustainable Cities Initiative. The initiative helps cities develop business models that can accelerate the implementation of sustainable urban solutions in three ways: the development of a learning community; the provision of technical assistance; and the delivery of an online engagement platform. It also aims to identify and support the implementation of an ongoing plan for sustainable urban service investments in cities.

The Financing Sustainable Cities Initiative promotes the financing of sustainable urban development and contributes to a number of targets within SDG 11, improving the quality of life for citizens, delivering positive environmental impacts and contributing to local economic growth.

AFFORDABLE HOUSING AND HOMEOWNERSHIP

Safe and affordable housing is a critical need in communities, but demand often exceeds existing supply as cities experience rapid expansion in many parts of the world. In the U.S., the homeownership rate has fallen to the lowest level in half a century⁸ and, over the past five years, the median new home price has increased by 35 percent,⁹ while wages have remained nearly flat. With more and more Americans renting rather than buying homes, rental prices have gone up. In 2016, the number of households severely burdened by rental costs (paying 50 percent or more of income) hit an all-time high at 11.4 million.¹⁰

In many cities, these price rises have disproportionately affected low-income families and communities of color. Citi works to finance the construction and preservation of affordable rental housing and community projects across the U.S. while also working on development models to build stronger affordable housing markets from the ground up.

Financing Affordable Housing

Through Citi Community Capital (CCC), we provide financing – including municipal bonds, tax credits and subsidies – for a range of affordable rental housing projects. We focus on developments that serve low-income and special needs populations, including seniors, those with disabilities and the homeless. We also finance community revitalization projects such as schools and healthcare facilities, as well as job-creating businesses to develop services and resources most needed in the community. In 2016, the CCC provided over \$5.75 billion in loans for affordable rental projects, for nearly 50,000 units in 204 cities. For the seventh consecutive year, we were the leading financier of affordable housing in the U.S.

We also partner with and support other organizations to create affordable housing through Citi Community Development. One population disproportionately impacted by lack of access to affordable housing is veterans. Each year, an estimated 250,000 servicemen and women transition out of the military to embark on new chapters, careers and opportunities. While the rate of veteran homelessness has declined over the past several years, estimates suggest that as many as 100,000 vets in the U.S. are homeless at some point during a 12-month period. Bring them HOMES, a partnership with the Local Initiative Support Corporation and the National Equity Fund, its investment affiliate, is an initiative to build affordable permanent, temporary and transitional housing with supportive services for America's veterans. Even for those not facing such dire circumstances, the men and women of the military and their families face many financial and logistical challenges, especially during the transition out of active duty. Over the past four years, Citi's funding has helped bring to fruition nearly 2,000 units of housing for homeless, at-risk and low-income veterans and their families.

Homeownership Preservation

The Citi Office of Homeownership Preservation works to prevent foreclosures and promote affordable and inclusive housing options for Citi clients and the communities that we serve. While foreclosure rates in the U.S. have improved significantly compared to the years immediately after the recession, the rate of completed foreclosures in the first half of 2016 was still above pre-recession levels. Our efforts to address this challenge include restructuring loans, training housing counselors, scaling technological efficiencies to coordinate loan servicing, and investing in shared equity models.

New Financing Approaches

Homeownership is increasingly out of reach in communities across the country as the cost of real estate continues to rise while incomes are stagnant. For example, the *NYU Furman Center/Citi Report on Homeownership and Opportunity in New York City* found that more than half of New York City homes are unaffordable to the majority of households. New financing approaches are required to create affordable housing that is safe, well-maintained and financially viable over the long term, moving homeownership into reach for more people.

To address this, Citi is supporting the launch of Community Land Trusts (CLTs) in several cities across the country. A CLT is a nonprofit corporation that maintains ownership of a parcel of land, but sells properties on that land at an affordable rate. The arrangement allows low- and moderate-income residents to build equity and accrue the benefits of homeownership, while saving on property taxes and housing costs. To ensure long-term affordability in the community, CLTs typically cap property resale prices. Projects are currently underway in New York and Washington, D.C., to develop CLTs that preserve long-term affordability for local residents and enable them to build their assets.

⁸ Harvard University Joint Center for Housing Studies, *The State of the Nation's Housing 2016*.

⁹ Federal Reserve Bank of St. Louis, *Median Sales Price for New Houses Sold in the United States* (Oct. '11-Oct '16)

¹⁰ Harvard University Joint Center for Housing Studies, *The State of the Nation's Housing 2016*.

¹¹ RealtyTrac, *Midyear 2016 U.S. Foreclosure Market Report*

PROVIDING AFFORDABLE HOMES IN OUR HOME CITY

Through innovative financing and strategic partnerships, we help create thousands of units of affordable housing for New Yorkers. We also partner with nonprofit organizations to enable financial stability among low- to medium-income homeowners.

- Over the past five years, Citi has provided \$5.2 billion in financing for housing for low- to medium-income New Yorkers.
- In 2016, the city of New York, Citi and other contributing partners launched a \$140 million extension of the Community Preservation Corporation (CPC) fund for affordable housing. We worked with the city and the CPC to structure and arrange the initial \$350 million fund in 2014.
- Citi also supports U.S. Department of Housing and Urban Development-approved housing counseling organizations – including NeighborWorks America, the National Council of La Raza and the National Community Reinvestment Coalition – to train counselors who can provide education and one-on-one counseling in New York City communities on financial capability, property maintenance and foreclosure prevention.



SUPPORTING THE FINANCIAL STABILITY OF "GRANDFAMILIES"

There are approximately 2.7 million grandparents in the U.S. who are responsible for raising their grandchildren. This family structure, called a grandfamily, is represented in all income levels, but 21 percent of grandparents who head these households live below the federal poverty line. A Citi-sponsored report, *The Resounding Resiliency of Grandfamilies*, aims to develop a richer understanding of these grandfamilies and provide recommendations for strengthening their financial lives. In line with this report, ensuring access to affordable housing for grandfamilies is critical to their long-term financial stability. In 2016, Citi closed an innovative transaction in Washington, D.C., called Plaza West, which reserves almost a quarter of available units for, but not restricted to, grandfamilies. This research and innovative housing model, a first-of-its-kind concept in the D.C. market, serves to shine a light on the needs of households that often provide alternatives to foster care by providing stability and community to youth.

WHAT'S AHEAD

Increasing population pressure will continue to present major infrastructural and social challenges for cities around the world. Local budgets face increasing stress, and municipal leaders are hard-pressed to find the financing and resources required to meet local needs. Housing affordability in cities is likely to remain a significant challenge for years to come, as population growth and economic opportunity become more concentrated in urban centers. At the same time, there is a clear need for sustained support for small businesses to aid in the resiliency of local economies. Rightfully so, there is significant attention on what can happen at a community level to support economic progress for all citizens. The private sector can play an important role in backing innovation and new ways of working, while also helping to appropriately scale approaches that work. That is the role we embrace in the communities where we live and work, and we will continue to use our core banking skills and resources to enable growth and progress.

FINANCIAL RESILIENCE

Citi protects people's savings and helps them make purchases – from everyday transactions to buying a home. Through our products and services, we advise people on how to invest for future needs and plan for upcoming life events. We also use our capabilities and our scale to support people in building their financial capability and resilience. This type of economic empowerment is the backbone of a thriving economy.

To do this, we need to help create opportunities for individuals to earn an income and access high-quality, affordable financial products and services to protect and grow their wealth. The need to get this right is particularly pressing for today's youth, who face many obstacles to employment and financial stability.

Through innovation, partnerships and leveraging the time and expertise of our employees – who volunteer in the communities in which they live and work – we're helping to foster economic resiliency and strength in communities around the world.

REACHING UNBANKED AND UNDERBANKED COMMUNITIES

Globally, some 2 billion adults, largely in developing regions, remain outside the formal banking sector, affecting the resiliency of individuals and communities. The issue extends to developed countries as well.

In the U.S., around 7 percent of the population does not have a bank account and an additional 20 percent are underbanked, according to the FDIC, while half of all U.S. households lack sufficient savings to sustain three months without falling below the poverty level in the event of a sudden drop in their income. As a result, during times of financial distress many are pushed toward options outside the traditional banking sector, such as payday loans or other predatory lenders, and wind up paying more for less while not building their credit history. This is coupled with a historic mistrust of large institutions and a lack of convenient geographic access to bank branches and ATMs among some populations. Citi pursues solutions and partnerships to improve access to banking services and provide practical financial education resources for low-income consumers.

2016 HIGHLIGHTS



Launched
CITIBANAMEX FINANCIAL INCLUSION,
a unit dedicated to broadening
access to affordable and
appropriate financial products
in Mexico, as part of our new

\$1B

investment in Citibanamex

Piloted the Citi ATM Community
Network, providing **FREE USE
OF CITI'S ATM NETWORK** to over
300,000 CLIENTS
of participating minority-owned
banks and credit unions in the U.S.

Met our Citi Foundation Pathways
to Progress goal to invest

\$50M

AND REACH 100,000 YOUTH
with training, leadership and
entrepreneurship opportunities



Access to Financial Products and Services

Access to simple and affordable banking products can improve people's lives. The Access Account, one of Citi's fastest-growing products within the Global Consumer Bank in 2016, is one example of how we are building viable solutions for often-overlooked portions of the U.S. market, including low-income individuals, senior citizens and recent immigrants. Introduced in 2014, the Access Account is a checkless bank account with no or low monthly fees, no overdraft fees, the ability to link to a savings account and access to Citi's digital banking network, retail and ATM locations. Over 223,000 Access Accounts have been opened since 2014.

Financial inclusion also requires an understanding of the needs of a wide range of communities. For example, studies show that low-income communities of color still predominantly use cash for transactions, making ATM access and fees especially important. This offered Citi, with our large ATM network, an opportunity to leverage our resources to improve banking accessibility for all. In 2016, we introduced the Citi ATM Community Network pilot program, which gave clients of minority-owned banks and credit unions access to our national network of ATMs. The program enables more than 300,000 clients of participating institutions to withdraw cash without surcharge fees at 2,400 Citibank branch ATMs in the U.S. By removing surcharge fees and expanding the reach of local institutions, we have reduced transaction costs, expanded ATM access and improved convenience for clients. When global and local financial institutions collaborate in this way, we can build a more inclusive financial services industry that expands access to unbanked and underbanked populations.

SUPPORTING U.S. VETERANS

Citi Salutes is our firmwide initiative to meet the unique needs of service members, veterans and their families in the areas of employment, financial capability and housing. One initiative through Citi Salutes in 2016 was in partnership with Military.com – the leading online platform for service members and veterans – to launch Transition, a free app that assists military families with the transition to civilian life. The app offers hundreds of veteran-specific resources on issues such as finance management, relocation and employment. The app has been downloaded more than 6,000 times since its launch.



BUILDING ACCESS ACROSS LATIN AMERICA

Transfer, a joint venture between Citi and America Movil, the largest telecommunications company in Latin America, aims to use mobile banking to expand access to financial products to all segments of the population in Latin American countries, particularly among low-income communities. To date, Transfer has more than 5 million active accounts, 80 percent of which belong to previously unbanked customers.



STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

Global partnerships across sectors, the focus of SDG 17, are required to meet the scope, scale and ambition of the sustainable development goals. Our business is about partnering – with our clients and stakeholders – to provide the financing solutions that meet the needs of our clients and help address global challenges. We also participate in public-private partnerships with organizations such as the Overseas Private Investment Corporation and the World Bank to share risk, ideas and best practices and to co-finance or co-invest in projects that promote environmental, social and economic progress that none of us can accomplish alone.

Financial Capability

Financial inclusion is not just about access to affordable products and services; it is also about having the knowledge to use the products and services in a safe and responsible way. We are committed to ensuring that our clients, as well as the extended network of individuals and families we work with, have the knowledge, tools and resources needed to manage their financial well-being. Citi offers a number of free public online resources that provide financial education. In addition, we support numerous financial capability programs around the world. For example, Citi and the Citi Foundation have contributed \$1.6 million in funding since 2008 to support the New York City Office of Financial Empowerment (OFE), to scale efforts to provide knowledge and resources for low-income households to overcome their financial challenges and build a more resilient financial future by saving money, building credit and paying down debt. The OFE has provided free financial education, coaching and counseling to more than 35,000 New Yorkers, and Boston, Chicago, San Francisco and Los Angeles County have since launched Offices of Financial Empowerment.

U.S. FINANCIAL INCLUSION RESEARCH

The Citi Foundation supports research efforts aimed at helping financial education practitioners evolve their interventions to maximize impact. The *U.S. Financial Diaries* research uncovered new insights on how American families make ends meet and how financial services and public policy sometimes help and sometimes hinder their progress. Another project, *What It's Worth*, is a collection of viewpoints from 40 of the nation's leading practitioners, policymakers, legislators, researchers and business executives, including Citi Foundation President Brandee McHale, on how to improve the financial well-being of American families.

Earned Income Tax Credit Access and Awareness

For many low-income households, tax refunds such as the Earned Income Tax Credit (EITC) are the largest lump-sum payment they receive all year, making tax season a key opportunity to pay down debt, save money and start to build assets for a secure financial future. But far too many people are not aware that this program exists, or are paying to file instead of taking advantage of free tax preparation services. For the past three years, Citi has supported New York City's marketing campaign to expand access to free tax preparation services and the EITC, returning close to \$500 million in fee savings and tax credits to 310,000 households.

ENABLING FINANCIAL INCLUSION THROUGH MICRO-BUSINESSES

Microfinance can be a valuable tool in creating income-generating opportunities that support the livelihoods of low-income individuals and their families. Through a range of programs and partnerships, Citi invests in microfinance initiatives that promote financial inclusion and enable economic growth for underserved market segments. For example, Citi has maintained a partnership with the U.S. government's Overseas Private Investment Corporation (OPIC) that has enabled us to provide funding to many micro and small entrepreneurs in developing markets around the world. By risk-sharing and other guarantee mechanisms, together with OPIC we have provided more than \$417.4 million in financing to 46 microfinance institutions in 24 countries, reaching over 1.2 million entrepreneurs, 92 percent of which are women.

In addition, in October, Citi signed an agreement with the Philippines-based Asian Development Bank (ADB) to facilitate up to \$100 million of local currency loans to microfinance institutions in the Asia Pacific region. The agreement expands the existing reach of ADB's Microfinance Program, which has supported more than 2 million borrowers, mainly in India, Bangladesh and Indonesia.



Reaffirming Our Commitment to Mexico

Mexico is one of Citi's largest markets outside of the U.S. and also has a notably high rate of unbanked citizens, at close to 50 percent. In 2016, Citi made a commitment to invest \$1 billion in Citibanamex, our Mexican subsidiary and Mexico's second-largest retail bank. This commitment aims to deliver a richer, smarter, more intuitive experience to everyone who does business with us.

A key part of the investment is the creation of a Financial Inclusion business unit at Citibanamex, dedicated to expanding access to safe and affordable financial services for the 38 million adults who remain outside the mainstream banking system in Mexico. These efforts build upon Citibanamex's decades of experience supporting microentrepreneurs, expanding mobile banking tools and providing financial education. Citibanamex Financial Inclusion will also provide private-sector expertise and resources to support the Mexican government's newly announced National Financial Inclusion Strategy.



"My personal finances have changed a lot. I did not know how to save – whenever I had money in my pocket I spent it right away. Now, the money that I have left, I save it in Saldazo and I am increasing a little nest egg..."

- MR. ADRIÁN

Saldazo is a simplified debit card-linked savings account with low requirements and no minimum balance. It is the first retailer-branded transactional account in Mexico, issued by Citibanamex through a Visa card sold at Mexico's largest corner store retail chain, Oxxo.

CITI MICROENTREPRENEURSHIP AWARDS

For more than a decade, the [Citi Microentrepreneurship Awards](#) program has been a signature financial inclusion initiative of the Citi Foundation focused on generating economic opportunities for low-income entrepreneurs in approximately 30 countries. To date, more than 6,000 microentrepreneurs have received more than \$9 million in prizes.

One example is Vietnam's 2016 Microentrepreneur of the Year, Phung Thi Thuy, who used a \$136 microfinance loan to lift her family out of poverty in one of the poorest provinces in Vietnam. Mrs. Thuy's business now earns about \$11,300 per year and has created five new jobs. She is using her prize to expand her business further and create even more jobs in her community.



Phung Thi Thuy, Vietnam's 2016 Microentrepreneur of the Year, in front of her home in the western region of the Thanh Hóa province in Vietnam.

JOBS AND THE NEXT GENERATION

The surest path to financial stability is a steady, well-paying job, but that is out of reach for many. Youth in particular are experiencing high joblessness rates. According to the U.S. Department of Labor, the unemployment rate for young people aged 16-24 is 10.8 percent, with more than 6 million young people disconnected from school and work. Globally, the youth unemployment rate remains stubbornly high at more than 13 percent,¹⁴ and in developing countries, 70 percent of youth live in extreme poverty despite being employed. Today's young people need an agile and versatile skill set to compete for opportunities that boost their individual well-being and the overall stability and success of communities and economies more broadly. This younger demographic, especially low-income minority youth, faces significant hurdles to accessing education and jobs. The Citi Foundation focuses on expanding early exposure to career-readiness programs to help ensure that the next generation is prepared to take advantage of future opportunities.

Pathways to Progress

Competing in the 21st century job market requires new thinking around job training and career readiness. Through [Pathways to Progress](#), Citi and the Citi Foundation are supporting the career readiness of

CREATING A FINANCIAL FOUNDATION FOR YOUTH

A first job is important to a young person's future, but understanding what to do with a paycheck and how to use money responsibly is also critical to their long-term economic prospects. The Citi Foundation partnered with the Cities for Financial Empowerment Fund to create Summer Jobs Connect (SJC), a program that offers youth paid summer jobs, financial education and tools, as well as access to safe and affordable bank or credit union accounts to directly deposit their paychecks and manage their finances. This partnership is helping set over 8,500 young people on

the path to economic success. As part of their experience, participants receive financial education and access to safe and affordable banking products to help create a relationship with mainstream financial institutions as a foundation for their financial future. SJC has been held up as a model financial inclusion effort and endorsed by regulators and policymakers, including the Consumer Financial Protection Bureau, the U.S. President's Advisory Council on Financial Capability, the U.S. Department of the Treasury and the U.S. Department of Labor.



Pathways to Progress youth entrepreneurs Anna Doherty and Hope Sacco, winners of the Network for Teaching Entrepreneurship National Youth Entrepreneurship Challenge. The entrepreneurs created a coloring book to promote strong women and took home the \$25,000 prize, to be used for scholarships and furthering their business.

young people by equipping urban youth from low-income backgrounds with the skills and opportunities needed to build a resilient financial future. The program launched in 2014 with a three-year, \$50 million commitment to provide summer employment, entrepreneurship and leadership opportunities to 100,000 young people between the ages of 16 and 24 in 10 major U.S. cities. Citi volunteers played an integral role in the program, acting as mentors and coaches.

In 2016, we met our U.S. goal to invest at least \$50 million in training, entrepreneurship and leadership opportunities for 100,000 young people. Based on this progress, in February 2017, Citi and the Citi Foundation announced a new global commitment under Pathways to Progress. The Citi Foundation will invest an additional \$100 million to reach 500,000 youth by 2020, renewing our investment in the U.S. and reinforcing our commitment to promoting opportunities for young people around the world. In addition, we will leverage the time and talent of 10,000 Citi employee volunteers in projects that help young people build their employability skills and professional networks and expand internships and other on-site learning opportunities for youth at Citi.

¹⁴ United Nations, *Global Youth Unemployment Is on the Rise Again*, August 25, 2016.

Pathways to Progress

OUR U.S. COMMITMENT		
\$50M+ INVESTED	34,000+ CITI EMPLOYEE VOLUNTEER HOURS	10 U.S. CITIES

OUR IMPACT		
100,000+ YOUTH INVESTED	6,100 MUNICIPAL SUMMER JOBS	130+ YOUTH-LED BUSINESSES STARTED
8,900+ YOUTH BUILDING AN ENTREPRENEURIAL MINDSET		10,000+ YOUTH ENGAGED IN SERVICE PROJECTS



"I am so proud of my mentee. Daylin is breaking out of her shell, and with a little time and guidance she has become noticeably more confident about her intelligence, true potential and future possibilities. We have just finished the college application process and our hopes are high.

Daylin has become like the daughter I never had. We go to ball games, get manicures and spend time with each other's families. To see the wonderful transformation in someone so deserving is very rewarding!

This program is extremely worthwhile for these young students. The impact is obvious and almost immediate."

- SUSANN GILBERT,
Director, Citi Institutional Clients Group, and iMentor Volunteer



"Pathways to Progress set a foundation of skills I needed to succeed in my career. The rest was me just jumping into things and trying them out. That hands-on experience was key to finding out what was right for me. I've grown so much as a person in the last six months."

- BEN TYSON,
Youth Radio, Youth Opportunity Fund Grantee

The Youth Opportunity Fund is an annual grant program that supports innovative, city-level initiatives that prepare young people for today's competitive job market. Youth Radio, a 2016 grantee, launches young people on career and education pathways by teaching them to produce marketable media for mass market while bringing youth perspectives to issues of public concern.

WHAT'S AHEAD

While the rate of unbanked individuals continues to decrease both in the U.S. and worldwide, there is a continued need for innovative products and affordable resources that help individuals and families thrive. The prolonged economic slowdown and foundational shifts in the labor market are putting new pressures on many families to simply hold their place on the economic ladder, rather than striving to move upwards. Banks are in a position to build better financial tools for the financially insecure and to work with a range of stakeholders to develop professional training and education programs that prepare the next generation for a rapidly shifting job market. Citi will continue to focus on meeting people where they are in regard to their finances, to create the tools and opportunities necessary to build the financial resiliency of families in a changing world.



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

A core focus of SDG 8 is decent work and full employment for youth, addressing the significant barriers to job opportunities that result in especially high youth unemployment rates around the world. The work of the Citi Foundation's Pathways to Progress initiative to advance economic opportunities for youth directly contributes to SDG 8, in particular target 8.6 which aims to substantially reduce the proportion of youth not in employment, education or training by 2020. By the end of 2016, we had supported the career readiness of over 100,000 youth in the U.S. Over the next three years, as part of our new Pathways to Progress commitment, we will connect another 500,000 youth around the world to training and jobs.

GLOBAL REPORTING INITIATIVE G4 CONTENT INDEX

We prepared this report in accordance with the G4 Core option of the Global Reporting Initiative. We also used the Financial Sector Supplement, which is part of the G4 Guidelines. The index that follows provides readers with references for where they can find information in this report and other public documents that addresses GRI indicators relevant to our business.

This report is “in accordance” with the Core option, although we reported on many indicators beyond this reporting option. Please visit the [GRI website](#) for the full text of the indicators and other information on the guidelines.

G4 INDICATOR CODE	G4 INDICATOR SUMMARY	STATUS	REPORT SECTION OR OTHER DOCUMENTATION
GENERAL STANDARD DISCLOSURES			
STRATEGY AND ANALYSIS			
G4-1	CEO statement on sustainability	Fully	CEO Letter
G4-2	Description of key impacts, risk and opportunities	Fully	CEO Letter Strategy Fact Sheet Sustainable Progress Strategy 2016 10-K pages 54-63
ORGANIZATIONAL PROFILE			
G4-3	Name of the organization	Fully	Citigroup Inc.
G4-4	Primary brands, products and/or services	Fully	Citi at a Glance Citi Website - Citi at a Glance 2016 10-K pages 2-4
G4-5	Location of organization's headquarters	Fully	388 Greenwich Street, New York, NY 10013
G4-6	Number of countries where the organization operates, and countries with major operations relevant to sustainability issues	Fully	CEO Letter Citi at a Glance Citi Website - Country Presence
G4-7	Nature of ownership and legal form	Fully	2016 10-K page 2
G4-8	Markets served	Fully	CEO Letter Citi at a Glance Citi Website - Citi at a Glance 2016 10-K pages 2-4
G4-9	Scale of the reporting organization	Fully	Citi at a Glance Citi Website - Citi at a Glance 2016 10-K pages 2-4, 8-9
G4-10	Employees by employment contract and gender	Fully	Talent and Diversity > Table: 2016 Consolidated U.S. Employee Information Report (EEO-1) 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. There were no significant variations in employment numbers (such as seasonal variations in employment).
G4-11	Percentage of employees covered by collective bargaining agreements	Fully	Human Rights > Respecting the Human Rights of Our Employees
G4-12	Supply chain	Fully	Operations and Supply Chain > Responsible Sourcing
G4-13	Significant changes to size, structure or ownership	Fully	2016 Annual Report pages 2-5
G4-14	Whether and how the precautionary approach or principle is addressed	Fully	As discussed in the respective sections of this report, we evaluate and address risks as part of our Environment and Social Risk Management efforts. Our ESRM Policy prohibits activities we believe pose risks to us, our clients and our stakeholders. This may include taking precautionary actions.
G4-15	Externally developed economic, environmental and social charters, principles or initiatives the organization subscribes or endorses	Fully	* CDP * Equator Principles * International Finance Corporation's Environmental and Social Performance Standards * International Finance Corporation's Environmental, Health and Safety Guidelines * International Labour Organization Core Conventions * Natural Capital Declaration * Roundtable on Sustainable Palm Oil * UNEP Finance Initiative * UN Global Compact * UN Guiding Principles on Business and Human Rights * UN Universal Declaration of Human Rights * Wolfsberg Principles
G4-16	Association memberships	Fully	Political Activities Statement

G4 INDICATOR CODE	G4 INDICATOR SUMMARY	STATUS	REPORT SECTION OR OTHER DOCUMENTATION
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in consolidated financial statements and if any are not in report	Fully	2016 10-K pages 3-4
G4-18	How principles for defining report content were implemented	Fully	Citizenship Approach > Citi in a Global Context: Purposeful Solutions for Societal Progress Strategy Fact Sheet 2015 Citi Global Citizenship Report
G4-19	Material aspects	Fully	Citizenship Approach > Citi in a Global Context: Purposeful Solutions for Societal Progress Strategy Fact Sheet 2015 Citi Global Citizenship Report
G4-20	Material aspects within the organization	Fully	Citizenship Approach > Citi in a Global Context: Purposeful Solutions for Societal Progress Strategy Fact Sheet 2015 Citi Global Citizenship Report
G4-21	Material aspects outside the organization	Fully	Citizenship Approach > Citi in a Global Context: Purposeful Solutions for Societal Progress Strategy Fact Sheet 2015 Citi Global Citizenship Report
G4-22	Effect of restatements	Fully	There are no such restatements for this reporting period.
G4-23	Significant changes from previous reporting period	Fully	There are no significant changes from the previous reporting period.
STAKEHOLDER ENGAGEMENT			
G4-24	Stakeholder groups engaged by the organization	Fully	Citizenship Approach > Stakeholder Engagement at Citi
G4-25	How these stakeholders are identified and selected	Fully	Citizenship Approach > Stakeholder Engagement at Citi
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Fully	Citizenship Approach > Stakeholder Engagement at Citi
G4-27	Key concerns raised through stakeholder engagement, and how the organization responded	Fully	Citizenship Approach > Stakeholder Engagement at Citi Human Rights Environmental and Social Risk Management
REPORT PROFILE			
G4-28	Reporting period	Fully	This report covers fiscal and calendar year 2016.
G4-29	Most recent report (if any)	Fully	April 2016
G4-30	Reporting cycle	Fully	Annual
G4-31	Contact us	Fully	388 Greenwich Street, New York, NY 10013 citizenship@citi.com
G4-32	Table with Standard Disclosure locations	Fully	We are reporting in accordance with the G4 Core option.
G4-33	External assurance statement	Fully	We secure external assurance annually for data related to our reporting on the Equator Principles, transactions covered by Environmental and Social Risk Management reviews, and environmental data for our operations. Assurance
G4-34	Governance structure	Fully	Conduct, Culture and Governance > Corporate Governance Citizenship Approach > Citizenship Governance at Citi 2017 Proxy Statement pages 18-31 Board Charters Corporate Governance Guidelines pages 1, 5 Nomination, Governance and Public Affairs Committee Charter Board of Directors
G4-35	Process for delegating authority	Fully	Citizenship Approach > Citizenship Governance at Citi Conduct, Culture and Governance > Corporate Governance 2017 Proxy Statement pages 40-58 Board Charters
G4-36	How organization appointed executive-level position(s) responsible for sustainability issues, and if they report to the organization	Fully	Citizenship Approach > Citizenship Governance at Citi 2017 Proxy Statement pages 40-58 Board Charters

G4 INDICATOR CODE	G4 INDICATOR SUMMARY	STATUS	REPORT SECTION OR OTHER DOCUMENTATION
G4-37	Consultation between stakeholders and the highest governance body on sustainability issues	Fully	Citizenship Approach > Citizenship Governance at Citi Citizenship Approach > Stakeholder Engagement at Citi 2017 Proxy Statement pages 40-58 Board Charters
G4-38	Details on composition of organization's highest governance body and its committees	Fully	2017 Proxy Statement pages 25-31, 44-58
GOVERNANCE			
G4-39	Whether chair of highest governance body is also an executive officer	Fully	The chairman of the board is a nonexecutive, independent director. Conduct, Culture and Governance > Corporate Governance 2017 Proxy Statement page 24
G4-40	Processes for nominating and selecting highest governance body and its committees	Fully	2017 Proxy Statement pages 40-58
G4-41	Highest governance body process for avoiding and disclosing conflicts of interest	Fully	2017 Proxy Statement pages 21, 34, 93
G4-42	Highest governance body's role in setting purpose, values and strategy	Fully	Citizenship Approach > Citizenship Governance at Citi 2017 Proxy Statement page 18
G4-43	Process for enhancing highest governance body's competencies on economic, environmental and social issues	Fully	Citizenship Approach > Citizenship Governance at Citi
G4-44	Process for evaluating highest governance body's performance on economic, environmental and social topics	Fully	2017 Proxy Statement pages 40-58 Corporate Governance Guidelines pages 5-6
G4-45	Highest governance body's role in risk management	Fully	Citizenship Approach > Citizenship Governance at Citi Citizenship Approach > Stakeholder Engagement at Citi Risk Management Committee Charter 2017 Proxy Statement pages 20, 25-26 Nomination, Governance and Public Affairs Committee Charter
G4-46	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities	Fully	Citizenship Approach > Citizenship Governance at Citi Nomination, Governance and Public Affairs Committee Charter
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	Fully	At least annually Citizenship Approach > Citizenship Governance at Citi
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report	Fully	Executive Vice President, Global Public Affairs
G4-49	Process for communicating critical concerns to the highest governance body	Fully	Conduct, Culture and Governance > Importance of Escalation Code of Conduct page 12 2017 Proxy Statement page 37
G4-51	Remuneration policies for the highest governance body and senior executives	Fully	Conduct, Culture and Governance > Executive Compensation 2017 Proxy Statement pages 11, 18-22, 30-31 Personnel and Compensation Committee Charter pages 1-4
G4-52	Process for determining remuneration	Fully	Conduct, Culture and Governance > Executive Compensation Citi Compensation Philosophy 2017 Proxy Statement pages 11, 18-22, 30-31 Personnel and Compensation Committee Charter pages 1-4
G4-53	How stakeholders' views are sought and taken into account regarding remuneration	Fully	Conduct, Culture and Governance > Executive Compensation Citi Compensation Philosophy 2017 Proxy Statement pages 11, 18-22, 30-31 Personnel and Compensation Committee Charter pages 1-4
ETHICS AND INTEGRITY			
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Fully	We performed strongly on our ethical culture index as part of our annual Voice of the Employee Survey, an average score comprised of items predictive of an ethical culture, with an 88 percent favorable score this year. Citizenship Approach > Reporting on Our Mission Conduct, Culture and Governance Code of Conduct Code of Ethics for Financial Professionals
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and organizational integrity	Fully	Conduct, Culture and Governance > Ethics Hotline Ethics Hotline
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior	Fully	Conduct, Culture and Governance > Ethics Hotline Ethics Hotline

G4 INDICATOR CODE	G4 INDICATOR SUMMARY	STATUS	REPORT SECTION OR OTHER DOCUMENTATION
SPECIFIC DISCLOSURES			
ECONOMIC			
ECONOMIC PERFORMANCE			
DMA	Disclosure on management approach	Fully	2016 10-K pages 5-12
G4-EC1	Direct economic value generated and distributed	Fully	2016 10-K pages 5-12
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Fully	Operations and Supply Chain > Resource Use and Environmental Impacts Environmental Finance Environmental and Social Risk Management 2016 10-K pages 78, 307
G4-EC3	Coverage of benefit plan	Fully	2016 10-K pages 8, 129, 145 Citi Benefits Online
MARKET PRESENCE			
DMA	Disclosure on management approach	Fully	2016 10-K pages 2-4
G4-EC5	Entry-level wage by gender compared to local minimum wage	Fully	We provide competitive levels of compensation that exceed local minimum wage requirements. Competitive wages and benefit programs vary according to facility, location and position. We do not track the ratio of the entry-level wage by gender at significant locations of operation to the minimum wage. We hire hourly positions locally whenever possible.
G4-EC6	Percentage of senior management at significant locations of operation that are hired from the local community	Fully	We work to hire locally wherever possible; when hiring for senior management, we consider qualified candidates from across the globe.
INDIRECT ECONOMIC IMPACTS			
DMA	Disclosure on management approach	Fully	Citizenship Approach > Citizenship Performance Highlights
G4-EC7	Infrastructure investments	Fully	Environmental Finance Inclusive Communities > Infrastructure Finance and Investment Inclusive Communities > Affordable Housing and Homeownership
G4-EC8	Indirect impacts and extent	Fully	Our Mission and Value Proposition: Enabling Growth and Progress Citizenship Approach > Citizenship Performance Highlights Environmental and Social Risk Management > Case Study: Deforestation and the Palm Oil Industry Inclusive Communities > Powering South Africa Inclusive Communities > Economic Growth > Supporting Small Businesses Financial Resilience > Reaching Unbanked and Underbanked Communities Financial Resilience > Jobs and the Next Generation > Creating a Financial Foundation for Youth
ENVIRONMENTAL			
ENERGY			
DMA	Disclosure on management approach	Fully	Operations and Supply Chain > Resource Use and Environmental Impacts
G4-EN3	Energy consumption within the organization	Fully	Operations and Supply Chain > Table: Regional Operational Environmental Performance Operations and Supply Chain > Table: Environmental Impact Report
G4-EN5	Energy intensity	Fully	Operations and Supply Chain > Table: Environmental Impact Report
G4-EN6	Reduction of energy consumption	Fully	Operations and Supply Chain > Table: Progress in 2016 Against 2020 Goals Operations and Supply Chain > Table: Environmental Impact Report

G4 INDICATOR CODE	G4 INDICATOR SUMMARY	STATUS	REPORT SECTION OR OTHER DOCUMENTATION
EMISSIONS			
DMA	Disclosure on management approach	Fully	Operations and Supply Chain > Resource Use and Environmental Impacts
G4-EN15	Direct GHG emissions (Scope 1)	Fully	Operations and Supply Chain > Table: GHG Emissions Scope 1 and 2 by Region in 2016
G4-EN16	Indirect GHG emissions (Scope 2)	Fully	Operations and Supply Chain > Table: GHG Emissions Scope 1 and 2 by Region in 2016
G4-EN17	Other indirect GHG emissions (Scope 3)	Fully	Operations and Supply Chain > Table: Environmental Impact Report
G4-EN18	GHG emissions intensity	Fully	Operations and Supply Chain > Table: Environmental Impact Report
G4-EN19	Reductions in GHG emissions	Fully	Operations and Supply Chain > Table: Environmental Impact Report Operations and Supply Chain > Table: Progress in 2016 Against 2020 Goals
EFFLUENTS AND WASTE			
DMA	Disclosure on management approach	Fully	Operations and Supply Chain > Resource Use and Environmental Impacts
G4-EN23	Total weight of waste by type and disposal method	Fully	Operations and Supply Chain > Table: Environmental Impact Report
PRODUCTS AND SERVICES			
DMA	Disclosure on management approach	Fully	Operations and Supply Chain > Resource Use and Environmental Impacts Environmental Finance Environmental and Social Risk Management
G4-EN27	Impact mitigation	Fully	Operations and Supply Chain > Table: Environmental Impact Report Environmental and Social Risk Management > Performance Against Our Sustainable Progress Scorecard for ESRM Environmental Finance Environmental Finance > Table: Sustainable Progress Framework and Scorecard Environmental Finance > Table: Breakdown of Environmental Finance Activities Environmental Finance > Table: \$100 Billion Environmental Finance Goal Environmental Finance > What's Ahead
TRANSPORT			
DMA	Disclosure on management approach	Fully	Operations and Supply Chain > Resource Use and Environmental Impacts Inclusive Communities
G4-EN30	Transportation impacts	Fully	Operations and Supply Chain > Travel Operations and Supply Chain > Table: Environmental Impact Report
SOCIAL: LABOR PRACTICES AND DECENT WORK			
EMPLOYMENT			
DMA	Disclosure on management approach	Fully	Talent and Diversity
G4-LA1	Turnover	Fully	Talent and Diversity > Table: Workforce Data by Region
G4-LA2	Benefits	Fully	Talent and Diversity > Workforce Well-Being Citi Benefits Online
TRAINING AND EDUCATION			
DMA	Disclosure on management approach	Fully	Talent and Diversity > Learning and Development
G4-LA9	Employee training hours	Fully	Talent and Diversity > Learning and Development

G4 INDICATOR CODE	G4 INDICATOR SUMMARY	STATUS	REPORT SECTION OR OTHER DOCUMENTATION
G4-LA10	Skills management and lifelong learning	Fully	Talent and Diversity > Learning and Development
G4-LA11	Employee reviews	Fully	We hold year-end performance reviews for all employees, including executives, as well as less formal mid-year development conversations.
DIVERSITY AND EQUAL OPPORTUNITY			
DMA	Disclosure on management approach	Fully	Talent and Diversity Human Rights > Respecting the Human Rights of Our Employees 2017 Proxy Statement page 25
G4-LA12	Governance body diversity	Fully	2017 Proxy Statement page 25 Board of Directors
SOCIAL: HUMAN RIGHTS			
INVESTMENT			
DMA	Disclosure on management approach	Fully	Human Rights > Implementing Our Respect for Human Rights Statement on Human Rights Statement of Supplier Principles
G4-HR1	Significant investment agreements and contracts	Fully	Human Rights > Transactions Reviewed Under Citi's Statement on Human Rights
G4-HR2	Hours of employee training on human rights policies or procedures	Fully	Citi's employees and board members attend regular ESRM and Code of Conduct trainings that address human rights polices and procedures. We do not track the hours for these trainings. Environmental and Social Risk Management > Enhancing Our Training Conduct, Culture and Governance > Code of Conduct
SOCIAL: SOCIETY			
LOCAL COMMUNITIES			
DMA	Disclosure on management approach	Fully	Operations and Supply Chain Environmental and Social Risk Management Inclusive Communities Financial Resilience
G4-SO1	Percentage of operations with local community engagement, impact assessments and development programs	Partially	Citizenship Approach > Stakeholder Engagement at Citi Inclusive Communities
G4-SO2	Operations with significant negative impact on community	Fully	Environmental and Social Risk Management > Case Study: Deforestation and the Palm Oil Industry Environmental and Social Risk Management > Case Study: Dakota Access Pipeline Environmental and Social Risk Management > Case Study: Minimizing Impacts to Habitats and Communities in Guatemala
FS13	Access points in low-populated or economically disadvantaged areas by type	Fully	Financial Resilience > Reaching Unbanked and Underbanked Communities
FS14	Initiatives to improve access to financial services for disadvantaged people	Fully	Consumer and Client Protection > Innovating Access Financial Resilience > Reaching Unbanked and Underbanked Communities
ANTI-CORRUPTION			
DMA	Disclosure on management approach	Fully	Conduct, Culture and Governance > Managing Compliance Risk
G4-SO3	Incidents of corruption and actions taken	Fully	Conduct, Culture and Governance > Managing Compliance Risk Anti-Bribery and Corruption Program
G4-SO4	Communicating anti-corruption policies and procedures	Fully	We do not report quantitatively on training for management or business partners. Conduct, Culture and Governance > Managing Compliance Risk Anti-Bribery and Corruption Program
G4-SO5	Incidents of corruption	Fully	We had no incidents of corruption in this reporting period.

G4 INDICATOR CODE	G4 INDICATOR SUMMARY	STATUS	REPORT SECTION OR OTHER DOCUMENTATION
PUBLIC POLICY			
DMA	Disclosure on management approach	Fully	Conduct, Culture and Governance > Managing Compliance Risk Citi Political Activities Statement
G4-SO6	Value of political contributions	Fully	Citi U.S. Political Contributions
ANTI-COMPETITIVE BEHAVIOR			
DMA	Disclosure on management approach	Fully	2016 10-K pages 286-296
G4-SO7	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Fully	2016 10-K pages 286-296
COMPLIANCE			
DMA	Disclosure on management approach	Fully	Conduct, Culture and Governance > Managing Compliance Risk 2016 10-K pages 52-62
G4-SO8	Noncompliance	Fully	2016 10-K pages 52-62
SOCIAL: PRODUCT RESPONSIBILITY			
PRODUCT AND SERVICE LABELING			
DMA	Disclosure on management approach	Fully	Consumer and Client Protection > Treating Customers Fairly Consumer and Client Protection > Responsible Marketing
G4-PR3	Product and service information	Fully	Citi has policies in place that ensure accurate product and service information in compliance with applicable laws and regulations. Consumer and Client Protection > Responsible Marketing
G4-PR5	Customer satisfaction	Fully	Consumer and Client Protection > Responsible Marketing Consumer and Client Protection > Customer Feedback and Satisfaction
CUSTOMER PRIVACY			
DMA	Disclosure on management approach	Fully	Consumer and Client Protection > Information Security Consumer and Client Protection > Privacy Code of Conduct Online Privacy Statement Citi Security Center
G4-PR8	Customer privacy	Fully	Consumer and Client Protection > Information Security Consumer and Client Protection > Privacy
FINANCIAL SECTOR SUPPLEMENT			
PRODUCT PORTFOLIO			
DMA	Disclosure on management approach	Fully	2016 10-K pages 10-11
FS6	Percentage of the portfolio for business lines by specific region, size (e.g., micro/SME/large) and by sector	Fully	2016 10-K pages 10-11
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Fully	Environmental Finance Environmental Finance > Table: Sustainable Progress Framework and Scorecard Environmental Finance > Table: Breakdown of Environmental Finance Activities Environmental Finance > Table: \$100 Billion Environmental Finance Goal

UNITED NATIONS GLOBAL COMPACT INDEX

This report serves as our 2016 communication on progress for the United Nations Global Compact (UNGC). Citi joined the UNGC in 2010, and we continue to embed the Compact's 10 principles across our business and report on activities related to human rights, labor issues, the environment and anti-corruption.

"Citi supports the 10 principles of the United Nations Global Compact as an important part of its business strategy and ethical culture. Our participation in this important initiative, which binds signatories from around the world to a common set of principles of responsibility, reinforces our commitment to corporate citizenship and sustainability."

Michael L. Corbat
Chief Executive Officer
Citigroup Inc.

UNGC PRINCIPLE	REPORT SECTION OR OTHER DOCUMENTATION
HUMAN RIGHTS	
PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Human Rights
PRINCIPLE 2: make sure that they are not complicit in human rights abuses.	Human Rights Environmental and Social Risk Management
LABOR	
PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Human Rights > Respecting the Human Rights of Our Employees
PRINCIPLE 4: the elimination of all forms of forced and compulsory labor;	Human Rights > Operating Within the Global Context of Human Rights Human Rights > Additional Human Rights Due Diligence in Our Financing Citi Statement of Supplier Principles
PRINCIPLE 5: the effective abolition of child labor; and	Human Rights > Operating Within the Global Context of Human Rights Human Rights > Additional Human Rights Due Diligence in Our Financing Citi Statement of Supplier Principles
PRINCIPLE 6: the elimination of discrimination in respect of employment and occupation.	Talent and Diversity > Fair Employment Practices Human Rights > Respecting the Human Rights of Our Employees Human Rights > Extending Respect for Human Rights Protection Through Our Suppliers and Partners
ENVIRONMENT	
PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges;	Environmental and Social Risk Management > Our ESRM Policy Environmental and Social Risk Management > Policy Implementation
PRINCIPLE 8: undertake initiatives to promote greater environmental responsibility; and	Operations and Supply Chain > Resource Use and Environmental Impacts Operations and Supply Chain > Responsible Sourcing
PRINCIPLE 9: encourage the development and diffusion of environmentally friendly technologies.	Environmental Finance > Citi's \$100 Billion Environmental Finance Goal Environmental Finance > Achieving Our Goal
ANTI-CORRUPTION	
PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Conduct, Culture and Governance > Managing Compliance Risk Anti-Bribery and Corruption Program

UNITED NATIONS GUIDING PRINCIPLES REPORTING FRAMEWORK INDEX

We have included information and disclosures in this report aligned with the United Nations Guiding Principles reporting framework. This reflects our support of the UN Guiding Principles on Business and Human Rights and our commitment to transparency and accountability regarding our human rights-related activities and policies. The table on the following pages indicates where readers can find information that addresses the framework requirements, either in this report or other publicly available documents.

SECTION OF THE FRAMEWORK	REPORT SECTION OR OTHER DOCUMENTATIO	
PART A: GOVERNANCE OF RESPECT FOR HUMAN RIGHTS		
Policy commitment	A1 <i>What does the company say publicly about its commitment to respect human rights?</i>	
	A1.1 How has the public commitment been developed?	Human Rights > Implementing Our Respect for Human Rights
	A1.2 Whose human rights does the public commitment address?	Human Rights > Implementing Our Respect for Human Rights Citi Statement on Human Rights
	A1.3 How is the public commitment disseminated?	Human Rights > Implementing Our Respect for Human Rights Citi Code of Conduct Citi Standards for Suppliers Citi Statement of Supplier Principles Citi Statement on Human Rights
Embedding respect for human rights	A2 <i>How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?</i>	
	A2.1 How is day-to-day responsibility for human rights performance organized within the company, and why?	Citizenship Approach > Citizenship Governance at Citi Human Rights > Additional Human Rights Due Diligence in Our Financing Environmental and Social Risk Management > Policy Implementation Operations and Supply Chain > Responsible Sourcing
	A2.2 What kinds of human rights issues are discussed by senior management and by the Board, and why?	Human Rights > Implementing Our Respect for Human Rights
	A2.3 How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?	Conduct, Culture and Governance > Code of Conduct Human Rights > Respecting the Human Rights of Our Employees Citi Statement on Human Rights Citi Code of Conduct
	A2.4 How does the company make clear in its business relationships the importance it places on respect for human rights?	Human Rights > Additional Human Rights Due Diligence in Our Financing Environmental and Social Risk Management > Policy Implementation Operations and Supply Chain > Responsible Sourcing Citi Standards for Suppliers Citi Statement of Supplier Principles
	A2.5 What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	Human Rights > Continuous Learning and Improvement Environmental and Social Risk Management > Case Study: Dakota Access Pipeline

SECTION OF THE FRAMEWORK	REPORT SECTION OR OTHER DOCUMENTATION	
PART B: DEFINING THE FOCUS OF REPORTING		
Statement of salient issues	B1	State the salient human rights issues associated with the company's activities and business relationships during the reporting period. Human Rights > Our Salient Human Rights Issues
Determination of salient issues	B2	Describe how the salient human rights issues were determined, including any input from stakeholders. Human Rights > Our Salient Human Rights Issues
Choice of focal geographies	B3	If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.
Additional severe impacts	B4	Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.
PART C: MANAGEMENT OF SALIENT HUMAN RIGHTS ISSUES		
Specific policies	C1	<i>Does the company have any specific policies that address its salient human rights issues and, if so, what are they?</i>
	C1.1	How does the company make clear the relevance and significance of such policies to those who need to implement them? Human Rights > Continuous Learning and Improvement Human Rights > Respecting the Human Rights of Our Employees Environmental Social and Risk Management > Policy Implementation Environmental and Social Risk Management > Enhancing Our Training Citi Code of Conduct Citi Standards for Suppliers
Stakeholder engagement	C2	<i>What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?</i>
	C2.1	How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so? Citizenship Approach > Stakeholder Engagement at Citi Human Rights > Implementing Our Respect for Human Rights
	C2.2	During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why? Human Rights > Implementing Our Respect for Human Rights Environmental and Social Risk Management > Case study: Minimizing Impacts to Habitats and Communities in Guatemala Environmental and Social Risk Management > Case study: Dakota Access Pipeline
	C2.3	During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it? Human Rights > Implementing Our Respect for Human Rights Environmental and Social Risk Management > Case study: Dakota Access Pipeline

SECTION OF THE FRAMEWORK	REPORT SECTION OR OTHER DOCUMENTATION	
Assessing impacts	C3 <i>How does the company identify any changes in the nature of each salient human rights issue over time?</i>	
	C3.1 During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?	Human Rights > What's Ahead
	C3.2 During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	Environmental and Social Risk Management > Case study: Dakota Access Pipeline
Integrating findings and taking action	C4 <i>How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?</i>	
	C4.1 How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?	Citizenship Approach > Citizenship Governance at Citi Environmental and Social Risk Management > Policy Implementation
	C4.2 When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?	Human Rights > Additional Human Rights Due Diligence in Our Financing Environmental and Social Risk Management > Policy Implementation Operations and Supply Chain > Responsible Sourcing
	C4.3 During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?	Human Rights > Continuous Learning and Improvement Environmental and Social Risk Management > Case study: Minimizing Impacts to Habitats and Communities in Guatemala Environmental and Social Risk Management > Case study: Dakota Access Pipeline
Tracking performance	C5 <i>How does the company know if its efforts to address each salient human rights issue are effective in practice?</i>	
	C5.1 What specific examples from the reporting period illustrate whether each salient issue is being managed effectively?	Human Rights > Additional Human Rights Due Diligence in Our Financing

SECTION OF THE FRAMEWORK		REPORT SECTION OR OTHER DOCUMENTATION
Remediation	C6	<i>How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?</i>
	C6.1	Through what means can the company receive complaints or concerns related to each salient issue? Human Rights > Additional Human Rights Due Diligence in Our Financing Conduct, Culture and Governance > Ethics Hotline Citi Code of Conduct Citi Standards for Suppliers
	C6.2	How does the company know if people feel able and empowered to raise complaints or concerns? Human Rights > Additional Human Rights Due Diligence in Our Financing
	C6.3	How does the company process complaints and assess the effectiveness of outcomes? Human Rights > Additional Human Rights Due Diligence in Our Financing Conduct, Culture and Governance > Ethics Hotline Citi Code of Conduct
	C6.4	During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?
	C6.5	During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples? Environmental and Social Risk Management > Case study: Dakota Access Pipeline

ASSURANCE



**Greenhouse Gas and Environmental Data Verification
Statement Number
UK.PRS.VOL.INV.0100.2016/2016/03/17/REV1**

The inventory of greenhouse gas emissions and environmental data in the period
1st January 2016 – 31st December 2016 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:

24,276 tCO_{2e} of GHG emissions Scope 1
764,277 tCO_{2e} of GHG emissions Scope 2 (location based)
676,087 tCO_{2e} of GHG emissions Scope 2 (market based)
788,553 tCO_{2e} of total GHG emissions Scopes 1 and 2, based on Scope 2
location based emissions
137,860 tCO_{2e} of GHG emissions Scope 3

1,549.90 GWh of electricity consumption
63.40 GWh of district heating and cooling
77.03 GWh of natural gas and LPG
31.00 GWh of fuel oil and diesel
27,004 metric tonnes of waste diverted from landfill
56,271 metric tonnes of total waste
4,935,857 cubic meters of potable water consumed
192,330 cubic meters of non-potable water consumed

The inventory of Greenhouse Gas emissions has been verified as meeting the
requirements of the WRI/WBCSD GHG Protocol – A Corporate Accounting and
Reporting Standard

For the following activities

Banking and Finance

Lead Assessor: Clare Robertson

Technical Reviewer: Andy Pickersgill

Jonathan M. Hall

Signed: Jonathan Hall

Business Manager

SGS united Kingdom Ltd

Verification Statement Date: 31/03/2017

This Statement is not valid without the full verification scope, objectives, criteria and conclusion
available on pages 2 to 5 of this Statement.





**Schedule Accompanying Greenhouse Gas and Environmental
Data Verification Statement Number**

UK.PRS.VOL.INV.0100.2016/2016/03/17/REV1

BRIEF DESCRIPTION OF VERIFICATION PROCESS

SGS has been contracted by Citigroup, Inc. for the verification of direct and indirect carbon dioxide (CO₂) equivalent emissions and environmental data as provided by Citigroup, Inc., 388 Greenwich Street, New York in their GHG Assertion in the form of a Management Assertion covering CO₂ equivalent emissions and environmental data.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing; sustainability report assurance and greenhouse gases verification. SGS affirms our independence from Citigroup Inc., being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised Lead Verifiers in Greenhouse Gases and Environmental Data Reporting.

ROLES AND RESPONSIBILITIES

The management of Citigroup, Inc. is responsible for the organisation's GHG and environmental data information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation, determination and reporting of GHG emissions and environmental data information.

It is SGS' responsibility to express an independent verification opinion on the GHG emissions and environmental data as provided in the Citigroup, Inc. Assertion for the period 1st January 2016 – 31st December 2016. As independent auditors to Citigroup Inc. our work was conducted based on current best practice in independent verification and in accordance with SGS policies regarding impartiality and independence. SGS has no conflict of interest in relation to providing these services to Citigroup Inc.

SGS conducted a third party verification following the requirements of ISO 14064-3: 2006 of the provided CO₂ equivalent and environmental data assertion during the period January to March 2017.

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 3rd January 2017.

LEVEL OF ASSURANCE

The level of assurance agreed is a limited level of assurance



SCOPE

Citigroup, Inc. has commissioned an independent verification by SGS of reported CO₂ equivalent emissions and environmental data arising from their activities, to establish conformance with the requirements of the WRI/WBCSD GHG Protocol for CO₂ equivalent emissions and the principles of completeness, transparency, accuracy, consistency and relevance for environmental data, within the scope of the verification as outlined below. Data and information supporting the CO₂ equivalent and environmental data assertion were historical and estimated in nature and proven by evidence.

This engagement covers verification of emissions from anthropogenic sources of greenhouse gases and other environmental data included within the organisation's boundary and meets the requirements of ISO 14064-3:2006.

- The organisational boundary was established following the operational control approach.
- Title or description of activities: Banking and Finance.
- Location/boundary of the activities: Global
- Physical infrastructure, activities, technologies and processes of the organisation: Data Centres, Offices, Operation Centres, Retail Services, and Retail non-serviced facilities.
- GHG sources, sinks and/or reservoirs included:
 - Scope 1 - Stationary combustion in owned, leased and sub-leased locations. (transportation fleet, fugitive and refrigerant emissions are excluded from the inventory);
 - Scope 2 - Purchased electricity and district heat;
 - Scope 3 - Business Travel (air and rail)
- Types of GHGs included: CO₂, N₂O, CH₄
- Directed actions: none.
- Types of environmental data included: electricity consumption, district heating (steam & chilled water), natural gas consumption, fuel oil consumption, waste diverted from landfill, total waste and water (potable and non-potable) consumed
- Intended user of the verification statement: Internal and external stakeholders.

OBJECTIVE

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

- Whether the CO₂ equivalent emissions and environmental data are as declared by the organisation's assertion
- That the data reported are accurate, complete, consistent, transparent and free of material error or omission
- The implementation of Citigroup, Inc systems & procedures for the management and reporting of environmental data and the calculation of greenhouse gas emissions.

CRITERIA

Criteria against which the verification assessment is undertaken are the requirements of the WRI/WBCSD GHG Protocol (for CO₂ equivalent emissions only), the GHG Inventory and environmental data methodology as defined by Citigroup, Inc., and the principles of completeness, transparency, accuracy,

The SGS logo is located in the top right corner of the page. It consists of the letters 'SGS' in a bold, sans-serif font, with a vertical line to the right of the letters and a horizontal line below them, forming a partial crosshair.

consistency and relevance.

MATERIALITY

The materiality required of the verification was considered by SGS to be below 10%, based on the needs of the intended user of the GHG and environmental data Assertion

CONCLUSION

Citigroup, Inc. provided the GHG and environmental data Assertion based on the requirements of the WRI/WBCSD GHG Protocol, the Citigroup, Inc. methodology and the principles of completeness, transparency, accuracy, consistency and relevance. The GHG and environmental data information for the period 1st January 2016 – 31st December 2016 disclosing:

24,276 tCO₂e of GHG emissions Scope 1
764,277 tCO₂e of GHG emissions Scope 2 (location based)
676,087 tCO₂e of GHG emissions Scope 2 (market based)
788,553 tCO₂e of total GHG emissions Scopes 1 and 2, based on Scope 2 location based emissions
700,363 tCO₂e of total GHG emissions Scopes 1 and 2, based on Scope 2 market based emissions
137,860 tCO₂e of GHG emissions Scope 3

1,549.90 GWh of electricity consumption
63.40 GWh of district heating and cooling (steam & chilled water)
77.03 GWh of natural gas and LPG
31.00 GWh of fuel oil and diesel
27,004 metric tonnes of waste diverted from landfill
56,271 metric tonnes of total waste
4,935,857 cubic meters of potable water consumed, and
192,330 cubic meters of non-potable water consumed

are verified by SGS to a limited level of assurance, consistent with the agreed verification scope, objectives and criteria.

SGS' approach is risk-based, drawing on an understanding of the risks associated with modelling GHG emission information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the voluntary reporting of emission and environmental data information.

SGS concludes with limited assurance that there is no evidence to suggest that the reported CO₂ equivalent and environmental data assertion is not materially correct and is not a fair representation of GHG and environmental data and information based on the calculation methodologies utilised.



We planned and performed our work to obtain the information, explanations and evidence that we considered necessary to provide a limited level of assurance that the CO₂ equivalent emissions and environmental data for the period 1st January 2016 – 31st December 2016 are fairly stated.

This statement shall be interpreted with the CO₂ equivalent and environmental data assertion of Citigroup, Inc. as a whole.

Note: This Statement is issued, on behalf of Client, by SGS United Kingdom Ltd, Rossmore Business Park, Inward Way, Ellesmere Port, Cheshire, CH65 3EN ("SGS") under its General Conditions for GHG Validation and Verification Services. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement and the supporting Assertion may be consulted at Citigroup, Inc., 388 Greenwich Street, New York, NY 10013. This Statement does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.

ASSURANCE STATEMENT

SGS REPORT ON CITIGROUP INC.'s "2016 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 "2016 Citi Global Citizenship Report", chapter "Environmental and Social Risk Management" including the Equator Principles reporting. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

The information in the "2016 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 "2016 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 "2016 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 2016. The assurance team is of the opinion that the Report can be used by the Citigroup Inc.' Stakeholders. We believe that Citigroup Inc. has chosen an appropriate level of

assurance.

CONCLUSIONS WITH REGARDS TO EQUATOR PRINCIPLES III REPORTING DATA FOR 2016

In our opinion the "2016 Citi Global Citizenship Report" reported information of the EP implementation, detailed at the subsection "2016 Projects Covered by Equator Principles" is presented in accordance with the Equator Principles III, Annex B "Minimum Reporting Requirement" (the Reporting Criteria). SGS based this opinion in the review of Citi's internal documents, including guides, standards, procedures, manuals, spreadsheets, and a sample of 3 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 (2016)
- 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 (2016).
- The EP transactions were over the threshold of 10 million USD for the Project Capital Cost required in the Equator Principles III for project finance loans, and over 100 million USD for Project-Related Corporate Loans.

Signed:

For and on behalf of SGS



Ursula Antunez de Mayolo Corzo
SGS Lead Sustainability Report Assuror
29th March, 2017
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