



# 2012 GLOBAL CITIZENSHIP REPORT

PROMOTING FINANCIAL INCLUSION

ADVANCING ENVIRONMENTAL SUSTAINABILITY

VALUING OUR EMPLOYEES





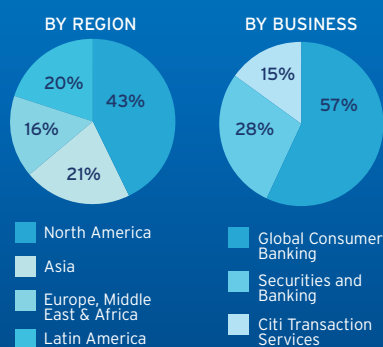
In 2012, Citi celebrated our 200th anniversary. Our principles—common purpose, responsible finance, ingenuity and leadership—are the bridge that connects our 200-year history with the future we want to create.

With 200 years of experience meeting the world's toughest challenges and seizing its greatest opportunities, we strive to create the best outcomes for our clients and customers with financial solutions that are simple, creative and responsible. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services and wealth management.

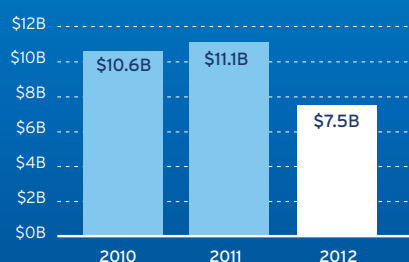
An institution connecting over 1,000 cities, 160 countries and millions of people, we are your global bank; we are Citi.

Citi has been included in the Dow Jones Sustainability Indexes (DJSI World and DJSI North America) since 2001 and the FTSE4Good Index since 2002. Our continued inclusion in these indexes reflects our leadership in setting standards in sustainable growth and in achieving noteworthy environmental, social and economic performance.

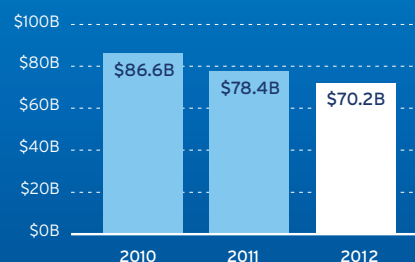
**Citicorp Revenues**  
2012 Revenues: \$70B



**Citigroup Net Income**



**Citigroup Net Revenues**



## About This Report

This report covers the period January 1, 2012, to December 31, 2012 (our fiscal year 2012). It highlights the progress and goals of Citigroup Inc. and its subsidiaries, unless stated otherwise, as they relate to corporate citizenship and provides supplemental information as published in our 2012 [Annual Report](#).

Several Citi country offices publish annual reports on their citizenship efforts. A library of archived country-specific citizenship reports can be found on our [Global Citizenship website](#).

We report annually on our citizenship performance—our last report was published in April 2011. Reporting and performance data includes information on Citi's owned and operated facilities. For more information on the citizenship initiatives described here, please visit [Citi's website](#) or contact:

*Tyler Daluz*  
Corporate Communications  
[citizenship@citi.com](mailto:citizenship@citi.com)

Citigroup Inc.  
399 Park Avenue  
New York, NY 10022

## Letter from CEO Mike Corbat



As one of the world's largest and most geographically diverse companies, Citi has special responsibilities. We take pride in the various ways that our focused citizenship efforts are integrated into our business operations.

For instance, we help our clients harness the many benefits of globalization—especially by connecting them to the growth opportunities in the emerging markets. At the same time, we're also increasing our commitment to financial inclusion in developing areas. And through our partnership with the U.S. Overseas Private Investment Corporation, we have provided 38 microfinance institutions in 21 countries with access to capital to fund small loans to nearly one million unbanked or under-banked borrowers.

With globalization comes urbanization—which offers great opportunities for growth but also puts potential strain on our infrastructure and natural resources. Thus, as Citi continues to emphasize the world's top cities, our firm is committed to efficient and sustainable growth. In 2012, we expanded our Leadership in Energy and Environmental Design (LEED®) certified portfolio to more than 200 projects, the first bank to pass that milestone, which contributed to significant reductions in our greenhouse gas emissions, water use and waste from operations.

Finally, our clients and customers are increasingly conducting their business in a digital environment. More and more goods and services are exchanged with the swipe of a finger. We're working to spread the benefits of digitization beyond the affluent consumer. In Mexico, for example, Citi and Banamex (our Mexican subsidiary) partnered with the largest mobile network operator in Latin America to introduce mobile wallets targeted to reach 50 million unbanked and under-banked people.

All of our work, which you can read about in more detail in this report, is underpinned by our dedicated employees. Our diverse and talented global workforce is able to provide a wide range of ideas and solutions to clients. They are vital to the success of our business, of our customers and of the communities we serve. And they're the foundation of every accomplishment detailed in this report.

A handwritten signature in dark ink that reads "Michael J. Corbat".

Mike Corbat  
Chief Executive Officer

## Joint Letter from Pamela Flaherty and Bob Annibale



Citi is as local as we are global. Everywhere we operate, we bring our world-class expertise to bear on providing financial services that meet the needs of individuals, families and communities.

We work in over 100 countries where many millions of people find themselves outside the economic mainstream. Providing them with access to financial know-how, services (such as savings and loans) and support is a citizenship priority and a business opportunity.

Corporate citizenship—making sure that we not only produce results for our shareholders but also make a positive impact in the communities where we have a presence—is at the core of our business and important to our colleagues. We focus on three areas where we can have the greatest impact: Promoting Financial Inclusion, Advancing Environmental Sustainability and Valuing Our Employees.

Thought leadership and innovation drive our efforts to promote financial inclusion and economic empowerment. We put the strength of Citi's business resources and people to work to enhance our philanthropic investments—through the Citi Foundation—and generate measurable positive impact.

The Citi Foundation's significant strategic giving complements our innovative microfinance and community development business initiatives. These are designed and implemented through inventive partnerships, working with nonprofits, small business associations, local governments, microfinance institutions, local banks, multinational agencies, investors and, more recently, technology providers.

In 2012, we made significant progress in our microfinance lending and community development initiatives. Highlights included an \$18.5 million loan to enlarge Indonesia's microfinance sector and investments in 14 groundbreaking U.S. community programs that could become national models for financial inclusion.

Citi and the Citi Foundation donated \$137 million—part of which was the continuation of a three-year \$6 million Financial Innovation and Research Fund, in partnership with the Inter-American Development Bank. The bank will test

and evaluate new business models to deliver asset-building products to recipients of Conditional Cash Transfers across Latin America and the Caribbean.

In the U.S., we continue to focus our efforts on enhancing financial capability, job creation and affordable housing. Citi partnered with a coalition of nonprofit economic development organizations to launch the Urban Manufacturing Alliance (UMA), which is working to accelerate the growth of urban manufacturing and capitalize on the sector's ability to create stable, high-quality jobs in 16 cities across the nation. Additionally, Citi was named the nation's top affordable housing lender for the third year in a row by *Affordable Housing Finance* magazine.

As the global economy begins to stabilize, it is as important as ever for us to remain strongly committed to financial inclusion as both a citizenship priority and a business model—one that enables economic empowerment and adds vitality to communities.

We embrace our role in promoting environmentally sustainable growth in three distinct ways. First, we ensure that we meet our ambitious goals to reduce our energy use (and greenhouse gas emissions), our water consumption and waste.

Second, we use our considerable experience to help our clients manage their environmental and social issues. We feel that it is important to partner with our clients at a time of increasing business risk tied to climate change and human rights.

Third, we develop environmental business opportunities that create good returns. For example, in 2012, Citi consolidated its position as a global leader in alternative energy and renewable energy. We provided advice to clients on important strategic transactions and in some cases partnered with them to finance projects. Also in 2012, we directed \$8 billion under our \$50 Billion Climate Initiative, bringing the total to \$44.37 billion, six years into the ten-year initiative. As we enter our third century, citizenship at Citi is as important as ever. While the global economy continues to change, we keep on looking for ways to create shared value with all our stakeholders.

**Pamela Flaherty**  
Director of Corporate Citizenship,  
President and CEO of the Citi Foundation

**Bob Annibale**  
Global Director, Citi Microfinance  
and Citi Community Development

# 1

## INTRODUCTION

# 8

## PERFORMANCE

**ENVIRONMENT** *"Our colleagues and clients, as well as many other stakeholders, want to know how we're reducing the environmental footprint of our own operations to see that we really do mean business when it comes to sustainability. We can't talk the talk if we don't walk the walk."* –Don Callahan, Head of Operations & Technology, Citi

# 12

## GOVERNANCE, ETHICS AND GOVERNMENT RELATIONS

# 18

## SERVING COMMUNITIES

# 35

## SUPPORTING CONSUMERS

# 40

## ENVIRONMENTAL SUSTAINABILITY

# 53

## OUR EMPLOYEES

**DIVERSITY** *"From recruitment to professional development and partnerships, Citi is building a diverse workforce that offers opportunities to all. Nowhere is progress more evident than in our vibrant, staff-led Employee Network program. Over 10 years, we've expanded the program's early focus on women and racial and ethnic diversity to include, among others, military veterans, generational diversity and our gay, lesbian, bisexual and transgender employees. It is one of my proudest achievements that we now have more than 70 networks around the world."* –Ana Duarte McCarthy, Chief Diversity Officer, Citi

**COMMUNITY** *"By focusing and applying our resources and experience, we know that we can serve as a powerful and positive force to revitalize underserved communities with responsible financial solutions."* –Andrew Ditton, Co-head of Citi Community Capital

# 61

## APPENDIX

# 76

## AWARDS & RECOGNITIONS

## CITIZENSHIP APPROACH

Our approach to citizenship is based on our commitment to responsible finance—how we define business conduct that is transparent, prudent and dependable. Through our citizenship efforts, we aim to ensure that our actions are in the best interests of our clients, are designed to create economic value and are systemically responsible.

### Citizenship Focus Areas and Priorities

Our citizenship focus areas and priorities reflect our views, and those of our stakeholders, along with the risks and opportunities of our business.

Corporate citizenship is a unifying theme at the core of our operations. We focus our efforts on three areas where we can have the greatest impact:

Promoting Financial Inclusion

Advancing Environmental Sustainability

Valuing Our Employees

We keep a watch on global and local economic conditions, which can change rapidly and unexpectedly. Nevertheless, we maintain a commitment to these priorities:

- » Treat customers fairly and support them in times of financial difficulty. This is embodied in our commitment to responsible finance.

- » Provide access to financial services, plus knowledge and support to those who would otherwise be excluded from the economic mainstream.
- » Lead the industry in environmental performance—reducing our operational impacts, developing and implementing standards to manage the environmental and social risks of banking activity, and mitigating climate change through financing alternative energy projects around the world.
- » Provide opportunity for our global and diverse talent base to succeed; and strive to recruit and retain diverse and engaged teams around the world.

We support our citizenship priorities with our products and services, and through lending, investing and the expertise of our people. Citi's efforts are complemented by the Citi Foundation's strategic giving.

### Measuring Performance

We measure our performance in each of our social and environmental priority areas and continue to report data to provide comparisons and show trends over time. Our reporting closely aligns with the Global Reporting Initiative (GRI) 3.1 Guidelines, a widely recognized standard for best practice in sustainability reporting. The structure and transparency of this report reflect the GRI Framework. Based on an internal review, Citi determines this to be a B level report against the GRI G3.1 Guidelines.

### Citi's Citizenship Efforts Recognized in Asia

**Korea:** Best CSR Film in 2012  
*Korea CSR Film Festival*

**Singapore:** Social Responsibility Program of the Year, *Silver Award 2012*

**Taiwan:** CommonWealth Magazine  
*Best Corporate Citizen Award, six consecutive years*

**Thailand:** AMCHAM Thailand CSR Committee  
*Corporate Social Responsibility Excellence Recognition Award, 2010-2012*

# AWARDS

# CITIZENSHIP CHALLENGES AND ACHIEVEMENTS 2012

## SERVING COMMUNITIES

### Achievements

- » The Citi Foundation invested \$76.5 million in programs that support the economic empowerment and financial inclusion of more than 1.1 million people globally.
- » Citi Microfinance, Citi Indonesia and the U.S. Overseas Private Investment Corporation announced an \$18.5 million term loan to promote financial inclusion of microentrepreneurs and small businesses in Indonesia.
- » Citi Community Capital lent and invested more than \$5.3 billion in 255 transactions with communities in the U.S.

### Challenges

- » Improving client risk management in microfinancing, amid a lack of credit bureaus with relevant and complete information.
- » Government financial intervention, which may disrupt competition or repayment culture.
- » Expanding the Citi Foundation's capacity to measure the success of our thought leadership grants and understand the role these play in fostering broader systemic change.

## SUPPORTING CONSUMERS

### Achievements

- » For the fourth consecutive year in 2012, our Home Affordable Modification program was a top performer as measured by success rates in public U.S. Treasury reports.
- » Introduced *Plain Talk About Your Products*, an easy-to-read guide to account features and checking-account fee disclosures.
- » Launched Citi ThankYou® Rewards for Small Business, which allows small business owners to combine ThankYou Points earned from their personal and business accounts.

- » Ranked the number one U.S. lender by *Affordable Housing Finance* magazine for the third consecutive year, with a lending volume of \$2.6 billion.

### Challenges

- » Continually ensuring that our actions are in the best interest of our consumers.
- » Continuing to support affordable housing in a weak economy.
- » Offering adequate practical support to customers in financial difficulty.

## ENVIRONMENTAL SUSTAINABILITY

### Achievements

- » Improved energy efficiency across our operations by 8.8 percent on 2005 levels and reduced carbon emissions by 21.7 percent from a 2005 baseline year.
- » Developed a toolkit and mentoring program to help our global network of Green Teams champion environmental sustainability initiatives in their offices, regions and communities.
- » Expanded Biodiversity for Banks, a cross-sector initiative to manage biodiversity risks and impacts in projects we finance, to include Citi's clients in the mining and oil and gas sectors.
- » Completed our two-year term as Chair of the Equator Principles (EP) Association and continued to play a leading role in the EP update process.

- » Directed \$8.02 billion toward the \$50 Billion Climate Initiative in 2012, bringing the total to \$44.37 billion.

### Challenges

- » Attaining business unit buy-in for a broader, firm-wide Environmental and Social Risk Management (ESRM) Policy that applies existing investment and corporate bank ESRM approaches to all Citi business units.
- » Recruiting local business advisors to help Green Teams identify, drive and execute local site projects.

## OUR EMPLOYEES

### Achievements

- » Celebrated Diversity Week, a global event designed to increase awareness of diversity among our employees. Sixty-nine countries took part.
- » Supported our 74 employee networks representing some 15,000 members across 27 locations, including 14 new networks focused on military veterans, women, and older, disabled and LGBT employees.
- » Provided training for 98 percent of employees worldwide, with an average of 40 training hours per individual.
- » Launched Live Well at Citi, an ambitious global health strategy that helps promotes a culture of health through programs that meet overall company objectives while serving differing local needs.
- » Celebrated Citi's 200th anniversary on June 16, 2012, by encouraging Citi employees to volunteer for community projects focused on literacy, housing, environmental protection, nutrition,

health care and disaster relief. More than 111,000 Citi employees and their families and friends in 93 countries took part.

### Challenges

- » Implementing a series of repositioning actions to further reduce expenses and improve efficiency across the company. These actions will result in a reduction of more than 11,000 positions through the end of 2013.
- » Balancing respect for local customs, values and legislation with our social goals. In some communities, practices in communities where we are located differ from commonly accepted global standards for human rights.
- » Making our newly launched global learning portal available to employees in countries without high-quality technology infrastructure. Also, balancing the demand for globally relevant programs with the need for regionally—and locally—customized content.

## STAKEHOLDER ENGAGEMENT

We engage regularly with individual stakeholders and institutions to share information, listen to ideas and concerns and refine our policies and practices. We count a broad range of customers, corporate clients, communities, employees, investors, nonprofit

organizations, regulators and suppliers as our stakeholders. Our engagement with these groups is grounded in an approach that is open and transparent, allowing for two-way dialogue and listening.

### Citi Stakeholders and Engagement Activities

Stakeholder Group	Communication Channel	2012 Examples
<b>Clients and customers</b>	<p>We value the input of those who use our financial solutions, and we hold regular meetings with key clients. Our Client Service department manages communications with clients and customers, and our @AskCiti Twitter account provides instant access to customer service representatives.</p> <p>We also measure customer satisfaction through satisfaction surveys, as well as comments submitted via email, phone, social media and written correspondence.</p> <p>We track and manage relationships with institutional clients firm-wide, coordinating across business units and product lines with individual accountability for each touch-point of the relationship. We also engage with our clients proactively through our application of the Equator Principles and Citi's ESRM Policy to client transactions.</p>	<p>We conduct annual customer satisfaction surveys in our regions. See the <a href="#">Measuring Consumer Satisfaction</a> section of this report for more information.</p>
<b>Investors</b>	<p>Our Investor Relations department regularly informs and updates our investors on the company's financial and operational performance.</p>	<p>We engage with our investors through our <a href="#">Annual Report</a>, <a href="#">Proxy Statement</a>, SEC filings, meetings and our <a href="#">Investor Relations website</a>.</p>
<b>Employees</b>	<p>Citi employees value our dedication to citizenship. Our Human Resources and Diversity departments interact with employees through an intranet website.</p>	<p>Our annual <a href="#">Voice of the Employee Survey</a> gathers feedback from employees on working at Citi.</p> <p>Our annual <a href="#">Green Employee Survey</a> gathers feedback from our workforce on Citi's environmental sustainability program and performance.</p>
<b>Government and regulators</b>	<p>Our Citigroup Global Government Affairs group interacts with elected officials and policymakers globally through company outreach or industry association activities, including lobbying, public policy forums and public seminars.</p> <p>Citi's Global Compliance group maintains a continuous constructive dialogue and partnership with regulators at all levels. The group advises on and coordinates regulatory examinations with the business and other functions.</p>	<p>Citi's <a href="#">public policy involvement</a> in 2012 covered areas such as cybersecurity, financial transaction taxing and free trade agreements.</p>

*Citi Stakeholders and Engagement Activities continued*

Stakeholder Group	Communication Channel	2012 Examples
Suppliers	We communicate with our more than 14,000 suppliers across 100 countries through our Procurement group.	<p>Our <a href="#">Statement of Supplier Principles</a>, which promotes ethical business practices, human rights and environmental sustainability is communicated to potential suppliers through the request for proposal process.</p> <p>In 2012 we hosted several events and programs that promoted a diverse supplier base. See Supplier Diversity section in <a href="#">Serving Communities</a>.</p>
Community leaders and NGOs	<p>Citi teams across a range of businesses and functions, including the Citi Community Development, Public Affairs, Government Affairs and Legal departments, as well as Citi Foundation staff, maintain communication with community leaders locally and nationally, including top staff of nonprofits, elected officials and thought leaders.</p> <p>The <a href="#">Community Development @ Citi</a> website houses information on our work to expand financial inclusion and economic empowerment in underserved communities.</p> <p>We also communicate via email and social media and conduct periodic public webinars to provide information on community development policy and practice. Citi executives and members of the Citi Community Development team serve on local and national boards and policy groups in the U.S., and our team of international public affairs officers manage these relationships in country.</p> <p>We collaborate with NGOs on issues relevant to each group, including financial inclusion, environmental sustainability, community development and human rights.</p> <p>Our Corporate Sustainability group, Community Development group and team of public affairs officers in the countries where we operate manage communications with NGOs.</p>	<p>See <i>Thought Leadership</i> examples throughout this report.</p> <p>Several Citi executives engage with community leaders and NGOs through their positions on boards for nonprofit organizations. For example, Francesco Vanni d'Archirafi, Global Head of Treasure and Trade Solutions and a member of Citi's Institutional Clients Group Management Committee, serves on the Board of Governors for Junior Achievement (JA) Worldwide and is the Chairman of JA Europe. Bob Annibale, Global Director, Citi Microfinance and Citi Community Development, serves on the Board of Directors for the Consultative Group to Assist the Poor.</p> <p>Various examples of our work with nonprofits on <a href="#">financial inclusion</a> and other community efforts, locally and globally, can be found in the <a href="#">Serving Communities</a> section.</p> <p>Citi engages with environmental NGOs to understand priority issues and to identify opportunities for partnership and creative solutions.</p> <p>Through the Asset Building Policy Network, a U.S. network of the country's pre-eminent organizations from the civil rights, financial services, economic development and consumer advocacy communities, in 2012, Citi helped develop a set of policy principles for asset building, engaged in dialogue with regulators and federal agencies and integrated asset building and financial services within communities of color.</p>
Socially responsible investors (SRIs)	Citi's Corporate Governance group and Corporate Sustainability group meet in-person and schedule conference calls with SRIs as needed.	Citi met with members of the Interfaith Center for Corporate Responsibility, a faith-based SRI, to discuss questions related to responsible lending, risk management, executive compensation and political contributions.
Media	Our Public Affairs department engages with the media through interviews, forums, press releases and reports.	The <a href="#">Citi News</a> website hosts company announcements, achievements and statements.
Other financial institutions	We communicate with competitors through industry events and benchmarking activities.	In 2012 we continued to collaborate with 75 + fellow Equator Principles other financial institutions on development of the updated Equator Principles. See the <a href="#">Environmental and Social Risk Management</a> section in Environmental Sustainability for more information.

## CERES REPORT REVIEW

While developing this report, we sought feedback from Ceres, a network of investors, environmental organizations and other public interest groups working with companies and investors to address sustainability challenges.

Ceres convened an independent group of experts on environmental, social and governance issues representing a global range of stakeholders and constituencies. This group reviewed a draft of this 2012 Citizenship Report and provided feedback on the materiality of our reporting and on our 2012 performance. The feedback is summarized in the table below and was used in the development of this report.

### Citi Report Review Feedback and Responses

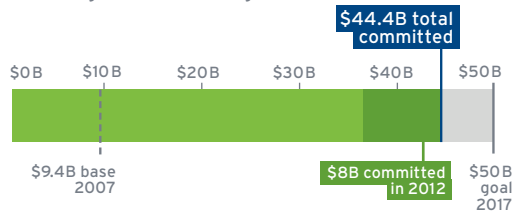
Stakeholder Feedback	Citi Response
<b>Governance</b> How has Citi responded to shareholders' "say-on-pay" vote?	We designed a new program effective for 2013, structured around a more objective performance evaluation process, which was implemented in important respects in 2012. Incentive awards will be based on a rigorous scorecard approach driven by specific financial metrics and strategic objectives for both Citi and its major lines of business. Read more about this new program in our <a href="#">8-K filings</a> .
<b>Human rights</b> What is Citi doing to implement the UN Guiding Principles on Business and Human Rights?	We are conducting an internal review of our human rights policies and approach as part of the process of updating our Statement on Human Rights. We also have been active in the Equator Principles update (EP III), participating in discussions on how concepts such as Human Rights Due Diligence and Free Prior and Informed Consent for Indigenous Peoples can be incorporated into EP III. Reporting on human rights can be found on <a href="#">pages 14-15</a> and <a href="#">49-50</a> .
<b>Employees</b> Explain the decline in workforce diversity.	Since 2009, Citi's total U.S. workforce has declined by 13.2 percent. The U.S. female employee population fell by 16.7 percent, and the minority population declined by 14.7 percent, both closely in line with the overall workforce contraction. However, during the same period, our minority management population has increased by 6.9 percent, with female minority management employees growing by 4.1 percent.
<b>Citizenship priorities</b> How were Citi's citizenship priority areas of Promoting Financial Inclusion, Advancing Environmental Sustainability and Valuing Our Employees identified?	Our citizenship reporting efforts span a 12-year history. During this time we have conducted several materiality assessments that, in conjunction with our company history, values and business strategy, have yielded and reaffirmed our three citizenship priority areas: Promoting Financial Inclusion, Advancing Environmental Sustainability and Valuing Our Employees. These priority areas guide and drive progress of our citizenship efforts globally.
<b>Environmental and social impacts</b> How is Citi addressing conflict minerals in its supply chain?	We are reviewing our supply chain strategy and taking steps to integrate into it mechanisms to address conflict minerals concerns. Our senior procurement executives are involved in the process, and we are working with key suppliers to identify areas of risk and opportunity. Further reporting on our supply chain initiative can be found on <a href="#">page 43</a> .
<b>Supporting consumers</b> How have Citi's Net Promoter Scores improved?	Putting the customer at the center of everything we do is critical to our success. Citi's Global Consumer Banking business is focused on listening to customers in order to recognize their needs and provide genuine solutions to help reduce the complexities of their financial lives. Our fundamental GCB performance measure is provided through Net Promoter Scores, and we continue to improve. For more information on customer satisfaction and our efforts to improve the consumer experience, see <a href="#">pages 35-39</a> .

# KEY PERFORMANCE INDICATORS

## Advancing Environmental Sustainability

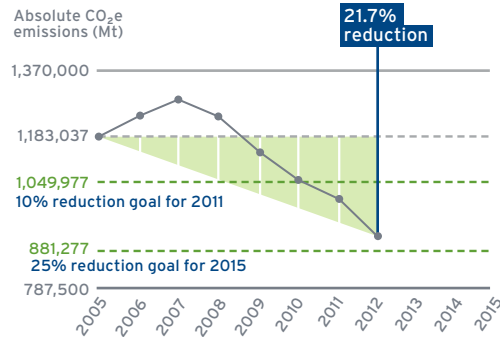
### CLEAN ENERGY FINANCING & INVESTMENT

Our goal, announced in 2007, is to direct \$50 billion over 10 years toward activities that mitigate climate change.



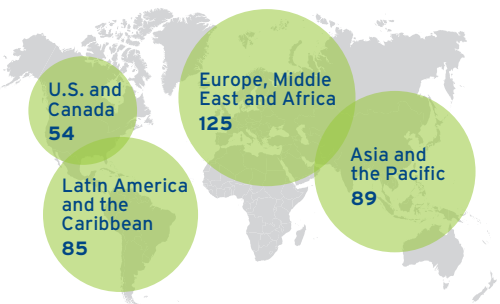
### GHG EMISSIONS REDUCTION

Greenhouse Gas Footprint Goals and Actuals (Net)



### ENVIRONMENTAL & SOCIAL RISK MANAGEMENT (ESRM)

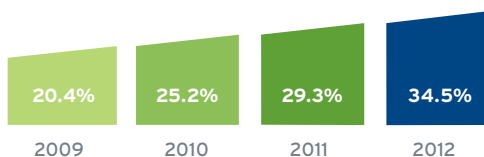
Transactions Receiving ESRM Review in 2012



### CREDIT CARD E-STATEMENTS

Global Penetration Rates

Citi, one of the world's top credit card issuers, has increased paperless statement penetration to 34% of consumer credit card customers worldwide.

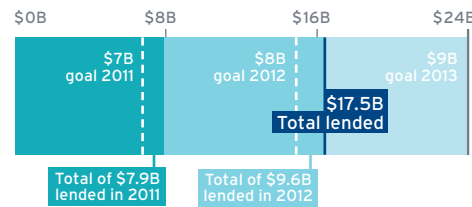


## Promoting Financial Inclusion

### SMALL BUSINESS LENDING

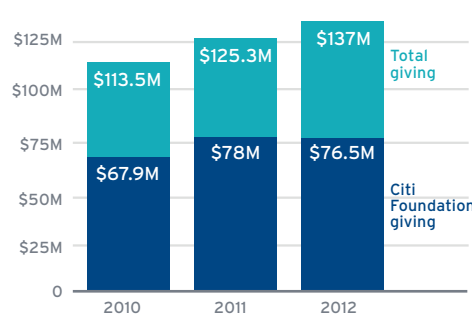
Lending Totals (US)

At the end of 2012 Citi surpassed its 2012 goal by lending a total of \$9.6 billion.



### ANNUAL STRATEGIC GIVING

Total Annual Citi and Citi Foundation Giving



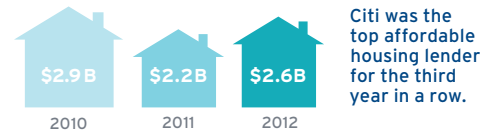
### PHILANTHROPIC IMPACT

Global impact from financial inclusion and economic empowerment Citi Foundation grants



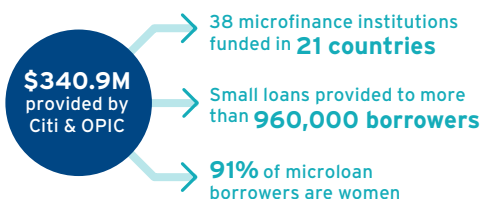
### AFFORDABLE HOUSING LENDING

Recent Lending Totals (U.S.)



### GLOBAL MICROFINANCE

Citi & OPIC\* Microfinance Partnership

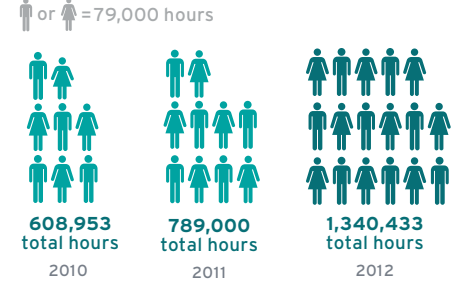


\*U.S. Overseas Private Investment Corporation

## Valuing Our Employees

### EMPLOYEE VOLUNTEERING

Total Volunteer Hours Contributed



### TRAINING & DEVELOPMENT

Average Hours of Training

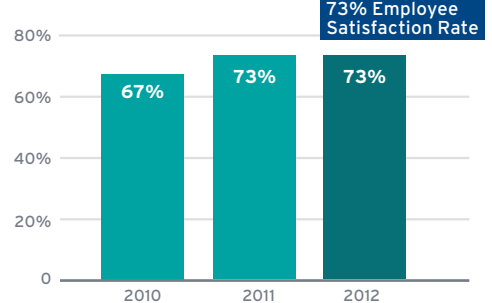


Training Investment: \$184 Million

Our classroom and online training programs cover: leadership and management; business and product-specific content; new hire onboarding; professional development; technology; compliance, vendor and human capital spend.

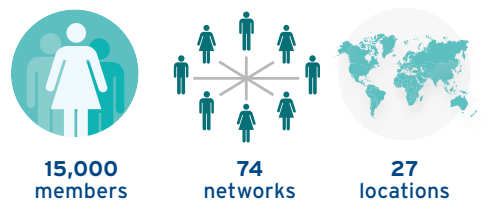
### EMPLOYEE SATISFACTION

Results from Citi's Annual Voice of the Employee Survey



### DIVERSITY NETWORKS

Employee Opportunities and Support



Employee networks, organized and led by employees, are organized according to affinity. They focus on cross-business networking opportunities and support employee growth and development.

# PERFORMANCE

Detailed performance data on our citizenship efforts are presented in this section. For more information on our programs and initiatives in each of these areas, please see the corresponding section of this report.

## SERVING COMMUNITIES

### Citi Foundation 2012

Focus Area	Investments	People Served*
Financial capability and asset building	\$25,301,000	808,000
Microfinance	\$12,066,000	13,000
Enterprise development	\$11,364,000	80,000
College success	\$6,963,300	48,000
Youth education and livelihoods	\$5,937,000	82,000
Neighborhood revitalization	\$9,870,000	80,000
Disaster response	\$1,280,000	n/a
Financial insight & other	\$3,750,000	n/a
<b>Total</b>	<b>\$76,531,300</b>	<b>1,111,000</b>

\* projections

### U.S. Diverse Supplier Spend—since 2008

In 2012, diverse supplier spending increased by 47 percent.

	2008	2009	2010	2011	2012
Diverse spend (millions)	973	928	542	426	626

### Global Microfinance

**\$340.9M** provided by Citi and the Overseas Private Investment Corporation (OPIC).

**38** microfinance institutions funded in **21** countries.

Small loans provided to more than **960,000** borrowers.

**91%** of microloan borrowers are women.

## SUPPORTING CONSUMERS

### Supporting Credit Card Holders

At the end of 2012, Citi was assisting more than 900,000 credit card holders manage their debt.

### Consumer Satisfaction

We measure customer satisfaction globally. For example, in China **65 percent** of Citibank customers and **58 percent** of Citigold customers provided positive feedback and were willing to recommend Citi to friends and relatives.

### Preserving Homeownership and Affordable Housing

Citi financed **more than 19,500** affordable housing units completed in 2012, 4,600 designated for seniors throughout the U.S., through **\$3.5 billion**<sup>1</sup> in loans from Citi Community Capital.

1. In 2012, Citi provided \$3.5 billion in loans for affordable housing projects in the U.S. Affordable Housing Finance magazine named Citi the top affordable housing lender with a total of \$2.9 billion lent due to the exclusion of some of Citi's lending activity that was outside the scope of the publication's ranking.

# ENVIRONMENTAL SUSTAINABILITY

## Environmental Footprint<sup>1</sup>

	2005	2006	2007	2008	2009	2010	2011	2012
RSF <sup>2</sup>	84,881,317	85,707,001	90,094,469	88,047,671	81,413,280	77,561,668	74,223,099	73,098,302
Seats	388,829	395,722	437,276	442,621	408,263	386,415	373,675	382,188
Headcount	381,148	380,101	416,485	400,228	385,289	382,844	390,045	332,740
<b>ABSOLUTE INDICATORS<sup>3</sup></b>								
Electricity (GWh)	2,134	2,282	2,435	2,434	2,266	2,116	2,077	2,008
District heating (steam & chilled water)	87	87	92	67	77	78	66	61
Energy Purchased (GWh) Scope 2	2,221	2,368	2,527	2,501	2,343	2,195	2,143	2,069
Natural gas (GWh)	185	176	186	174	173	165	147	118
Fuel oil (GWh)	52	56	54	51	70	52	43	55
Energy Consumed (GWh) Scope 1	238	232	240	225	243	217	190	173
Total Energy (GWh)	2,459	2,600	2,767	2,726	2,586	2,411	2,333	2,242
<b>GREENHOUSE GAS (GHG) EMISSIONS</b>								
Direct CO <sub>2</sub> e (GHG Scope 1)	47,111	46,331	47,532	44,684	49,342	43,265	37,773	35,570
Indirect CO <sub>2</sub> e (GHG Scope 2)	1,141,878	1,215,778	1,261,203	1,244,026	1,115,871	1,048,797	1,026,172	993,687
Total CO <sub>2</sub> e (mt)	1,188,990	1,262,109	1,308,735	1,288,710	1,165,213	1,092,061	1,063,945	1,029,257
Green power offsets (CO <sub>2</sub> e)	5,953	25,904	30,223	57,084	47,309	42,084	56,882	98,450
Net CO <sub>2</sub> e (mt)	1,183,037	1,236,205	1,278,512	1,231,626	1,117,904	1,049,977	1,007,063	930,807
<b>SCOPE 3 EMISSIONS<sup>5</sup></b>								
Business air travel CO <sub>2</sub> e (mt)	N/A	N/A	N/A	127,000	87,000	100,243	119,179	123,302
<b>Thermal Power Plant Emissions</b>								
30-year plant life CO <sub>2</sub> (mmt)	N/A	N/A	N/A	N/A	N/A	0	7.4	0
60-year plant life CO <sub>2</sub> (mmt)	N/A	N/A	N/A	N/A	N/A	0	14.8	0
<b>WATER &amp; WASTE</b>								
Total water consumption (m <sup>3</sup> )	7,314,005	7,576,269	7,650,336	8,366,491	7,356,900	6,406,576	6,937,563	6,732,680
Waste diverted from landfill (mt)	15,911	18,442	18,115	19,754	20,084	20,014	20,015	20,832
Waste stream to landfill (mt)	64,775	65,874	68,082	62,852	53,731	45,438	42,197	38,679
Total waste (mt)	80,686	84,316	86,197	82,606	73,815	65,452	62,212	59,511
<b>RELATIVE INDICATORS</b>								
<b>Total Energy Consumed</b>								
KWh / RSF	29	30	31	31	32	31	31	31
KWh / Seat	6,325	6,571	6,327	6,260	6,335	6,241	6,244	5,867
KWh / Headcount	6,452	6,842	6,643	6,812	6,712	6,299	5,982	6,739
<b>Net CO<sub>2</sub>e</b>								
Metric tonnes / RSF	0.0139	0.0144	0.0142	0.0140	0.0137	0.0135	0.0136	0.0127
Metric tonnes / Seat	3.04	3.12	2.92	2.78	2.74	2.72	2.70	2.44
Metric tonnes / Headcount	3.10	3.25	3.07	3.08	2.90	2.74	2.58	2.80

1. Data in this table will differ from prior years' reports due to accuracy improvements in historical consumption data, as well as the recalculation of all emissions using the most up-to-date eGRID (U.S.) and WRI (non-U.S.) GHG conversion factors for purchased electricity.

2. "RSF" is rentable square footage. This value is a 12-month average of the total owned/leased portfolio, excluding sublet space in which utilities are consumed by non-Citi tenants.

3. All absolute indicators and CO<sub>2</sub>e emissions are rounded to whole number values.

4. The metrics in this table are included in the Independent Accountant's Report, a limited assurance [report](#) issued by KPMG, an independent third party.

5. **Business Air Travel Emissions:** These emissions tend to fluctuate with the growth of our business, and we continue to implement IT solutions such as video conferencing to help reduce our business travel footprint. **Thermal Power Plant Emissions:** Project-specific emissions are calculated for both a 30- and 60-year plant lifetime, and are derived from the plant's capacity and heat rate, the carbon content of the fuel, and projected capacity utilization. We report the percentage of lifetime emissions equivalent to the percentage of total project costs financed by Citi. In 2012, we did not finance any thermal power plants (the reported power sector project finance deals were for solar and wind projects).

## Leadership in Energy and Environmental Design (LEED®)

### LEED Projects by Building Type

Building Type	2008	2009	2010	2011	2012
Data centers	2	1	0	0	0
DC file storage	0	2	1	0	0
Office buildings	3	16	3	12	7
Operations centers	0	2	2	0	2
Branches	44	64	16	14	23
<b>Total</b>	<b>49</b>	<b>85</b>	<b>22</b>	<b>26</b>	<b>32</b>
<b>Cumulative total</b>	<b>52</b>	<b>137</b>	<b>159</b>	<b>185</b>	<b>217</b>

We are restating the LEED project count from previous years based on revisions completed on our records.

### LEED Certification by Region and Level Achieved

Certification Level	Asia Pacific	EMEA	North America	Total
Certified	4	-	134	138
Silver	6	5	16	27
Gold	16	3	29	48
Platinum	1	2	1	4
<b>Total</b>	<b>27</b>	<b>10</b>	<b>180</b>	<b>217</b>

## \$50 Billion Climate Initiative

Cumulative total directed to \$50B target

	May 2007 base	2007	2008	2009	2010	2011	2012	Total
<b>Total (\$ billions)</b>	<b>9.4</b>	<b>5.49</b>	<b>4.29</b>	<b>5.11</b>	<b>5.66</b>	<b>6.43</b>	<b>8.02</b>	<b>44.37</b>

### 2012 Technology Mix

Breakdown of **\$8.02B** directed in 2012 toward \$50B Climate Initiative

Category	Total Amount (\$ billions)	Percentage
Solar	3.9B	49.4
Wind	.95B	12
Energy efficiency	1.5B	19
Biomass	.04B	0.5
Carbon/Renewable Energy Certificates (RECs)	.03B	0.4
Other	1.6B	18.7

## ESRM Employee Training

	2010	2011	2012
Number of employees trained in Citi's ESRM policy	210	168	447

# OUR EMPLOYEES

## Training and Development

98% of Citi employees took advantage of training opportunities in 2012.

Citi invested approximately **\$184 million<sup>1</sup>** on learning and development in FY2012.

### Sum of Training Hours

	2009	2010	2011	2012
Instructor-led	4,908,685	5,516,518	6,015,5578	5,166,437
Web-based learning <sup>2</sup>	2,447,989	3,228,190	3,907,263	5,298,311
Other	78,174	162,717	204,221	158,231
<b>Total</b>	<b>7,434,848</b>	<b>8,967,425</b>	<b>10,127,040</b>	<b>10,622,979</b>
Average hours per employee	28	34.5	38	40

1. Includes vendor and learning headcount spend.

2. There is a gradual increase in emphasis on web-based training to provide scalable high-quality and relevant learning content at an on-demand basis across Citi. As a result, web-based training as a percentage of overall training increased from 33 percent in 2009 to 50 percent in 2012.

### Global Employee Training by Region—2012

	Asia Pacific	Europe, Middle East & Africa	Latin America	North America
Hours per employee	26	34	40	53

## Voice of the Employee Survey Trend

	Response Rate	Satisfied	Neutral	Dissatisfied
2012	88.5%	73%	16%	11%
2011	88%	73%	16%	11%
2010	85%	67%	20%	13%
2009	85%	64%	20%	16%
2008	84%	63%	22%	15%

## Diversity

### U.S. Workforce

Citigroup's total U.S. workforce has declined by 13.2 percent since 2009. The U.S. female employee population fell by 16.7 percent, and the minority population declined by 14.7 percent. However, the minority

management population (covering executives, senior managers, first-time managers and midlevel managers) has increased by 6.9 percent since 2009, with female minority management employees growing by 4.1 percent.

### FY2012 Consolidated Employer Information Report (EEO-1)\*

Job Category	Gender	White	Black	Hispanic	Asian	Native Hawaiian or other Pacific Islander	Native American	Multi-racial	Total by Gender	Total
Executives/senior managers	Female	4	0	0	0	0	0	0	4	26
	Male	18	1	1	2	0	0	0	22	
First/Midlevel managers	Female	5,025	759	934	928	4	22	17	7,689	17,682
	Male	6,897	519	944	1,601	4	16	12	9,993	
Professionals	Female	5,325	1,042	1,152	1,667	8	27	40	9,261	22,651
	Male	8,087	789	1,290	3,129	17	30	48	13,390	
Technicians	Female	917	194	212	203	4	3	5	1,538	3,475
	Male	1,187	188	263	277	3	9	10	1,937	
Sales workers	Female	3,868	1,047	1,406	688	23	29	33	7,094	12,562
	Male	3,301	540	925	651	15	19	17	5,460	
Administrative support	Female	12,284	5,058	4,496	1,474	41	119	99	23,571	31,829
	Male	4,407	1,473	1,672	611	24	29	42	8,258	
Craft workers	Female	0	1	0	0	0	0	0	1	10
	Male	1	5	1	2	0	0	0	9	
Operatives	Female	111	53	22	74	0	0	0	260	573
	Male	114	76	45	77	0	0	1	313	
Laborers & helpers	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	
Service workers	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	
Totals	Female	27,534	8,154	8,222	5,034	80	200	194	49,418	88,808
	Male	24,012	3,591	5,141	6,350	63	103	130	39,390	

\*Data as of July 2012

### Global Female Workforce

Citi's global female representation fell from 55 percent at the beginning of 2009 to 53 percent in December 2011 and remained at 53 percent through December 2012.



# GOVERNANCE, ETHICS AND GOVERNMENT RELATIONS

## 2012 PROGRESS

Extended new Code of Conduct training to all employees.

Engaged with stakeholders on Citi's policies on and approach to military equipment (including cluster munitions) and the Equator Principles.

Contributed to public policy conversation, including the need for effective cybersecurity legislation.



At Citi, we aspire to the highest standards of corporate governance and ethical conduct. We do what we say we will do, report results with accuracy and transparency and maintain full compliance with laws, rules and regulations that govern our businesses.

## Governance

### Board Composition

As required by the New York Stock Exchange and Citi's [Corporate Governance Guidelines](#), at least two-thirds of the members of Citi's Board of Directors are independent directors. Diversity is among the critical factors that the Nomination, Governance and Public Affairs Committee considers when evaluating the composition of the board. For a company such as Citi, which operates in more than 100 countries around the globe, diversity includes race, ethnicity and gender, as well as the diversity of the communities and geographies in which Citi operates. Included in the qualifications for directors listed in the company's [Corporate Governance Guidelines](#) is "whether the candidate has special skills, expertise and background that would complement the attributes of the existing directors, taking into consideration the diverse communities and geographies in which the Company operates."

At the end of 2012:

- » Ten of 12 directors (83 percent) were independent.
- » Three directors were female, nine male.
- » Two directors were African American or Hispanic.
- » Citi had board membership across six sectors: government, financial services, other private sector, non-U.S. based, nonprofit and academia.

The Citi Holdings Oversight Committee was dissolved in early 2012 and its responsibilities were transferred to the Risk Management and Finance Committee of the Board of Directors. The new Executive Committee acts on behalf of the board if a matter requires Board action before a full board meeting can be held. The five standing board committees are: Audit; Executive; Nomination, Governance and Public Affairs; Personnel and Compensation; and Risk Management and Finance.

A charter for each committee outlines the mission, membership qualifications and duties for committee members.

### Executive Compensation

As a result of the say-on-pay vote at our annual meeting in 2012, we immediately enhanced our efforts to solicit feedback from shareholders to better understand their concerns. In meetings with nearly 20 shareholders led by Board and Committee Chairman Michael O'Neill, members of the Board and/or management spoke with investors who collectively held more than 30% of Citi's common shares. We also held meetings with proxy advisory firms to determine whether the views of the proxy advisors regarding Citi's pay practices were similar to the views of Citi shareholders as expressed during our meetings with them.

While investors had varying perspectives, all investors asked that the existing connection between pay and performance be enhanced. In response, we enhanced the formal set of guiding principles reflected in our [Compensation Philosophy](#) and have taken multiple steps to address investor concerns.

Under these guiding principles, our executive compensation programs are intended to achieve four equally important major objectives:

- » Enhance shareholder value
- » Attract and retain the best executive talent
- » Manage risks to Citi through sound incentive compensation practices
- » Implement evolving regulatory guidance.

The full [Citi Compensation Philosophy](#) is available online.

The full Board of Director's Personnel and Compensation Committee Report for 2012 can be found on page 42 of [Citi's Proxy Statement](#).

*“When our shareholders spoke in 2012 about Citi’s compensation structure, we listened. We stepped up our efforts to solicit feedback from investors to better understand their concerns. As a result of this process, we are introducing a new compensation structure that more strongly connects compensation with performance, emphasizes strong risk management and is both competitive and in line with regulatory standards.”*

– Michael O’Neill, Chairman of the Board of Directors, Chairman of the Personnel and Compensation Committee

## Ethics

### Citi Code of Conduct

The Citi Code of Conduct sets forth Citi’s minimum standards of conduct, expectations of professional behavior and responsibility and key regulatory requirements and policies. We consider the Code to be the cornerstone of our Ethics Program, and employees are encouraged to use it as a guide to find answers to ethical dilemmas they may encounter. The Citi Board of Directors reviews and approves the Code, which is publicly available in 26 languages [here](#). The Code, which was first published in 1997, is updated periodically to reflect changes in rules, regulations, policies and best practices. We expect to publish a revised Code in late 2013.

All employees receive the same Code of Conduct, regardless of their business unit or geographic location. Employees sign on to the Code when they join the company and periodically complete training on it. In early 2012, we made new Code training available to all employees and developed training for nonemployees. This training is currently being rolled out to existing nonemployees, and newly hired nonemployees will be provided Code of Conduct training when they join Citi.

Citi encourages employees to communicate their concerns. We prohibit retaliatory actions against anyone who, in good faith, raises questions about ethics, discrimination or harassment; who reports suspected violations of laws, regulations or policies; or who participates in a subsequent investigation of such concerns.

Citi employees have five ways to report ethical concerns anonymously to the Citi Ethics Office, including a toll-free global hotline available 24 hours a day, seven days a week in multiple languages. Information on how to raise a concern can be found [here](#). Complaints can be made anonymously, and all contacts and investigations are treated as confidentially as possible.

A [Code of Ethics for Financial Professionals](#) supplements the Code of Conduct. It applies to all finance professionals and administrative staff in a finance role.

### Anti-Money Laundering (AML) Program

Money laundering undermines confidence in the international financial system and presents a reputational risk to Citi. In support of our efforts to combat money laundering and terrorist financing and to comply with the Bank Secrecy Act, the USA PATRIOT Act and other applicable legal and regulatory requirements, Citi maintains a global team of more than 700 global anti-money laundering compliance officers around the world.

Citi supports detailed anti-money laundering policies and programs and sophisticated technology to monitor for possible suspicious activity for our businesses globally. These programs are subject to regular audits, both internal and external. In the last year, we’ve enhanced our global AML risk assessment to further refine and more effectively address our geographic and product-specific AML risks.

### Supplier Principles

Another Code of Conduct is provided to suppliers, who must agree to adhere to it. This Code encompasses Citi’s [Statement of Supplier Principles](#). This statement encourages suppliers to promote social responsibility, ethical business practices, human rights in the workplace and environmental sustainability. The Statement of Supplier Principles is communicated to all potential suppliers through Citi’s request for proposal process. In addition, Citi’s Supplier Selection and Management Policy requires all sourcing professionals to request that their suppliers understand and have the capacity to support the Statement of Supplier Principles.

## Human Rights

We promote human rights and are guided by fundamental principles such as those described in the United Nations Universal Declaration of Human Rights, the International Labour Organization Core Conventions and the UN Guiding Principles on Business and Human Rights. We reflect these principles in our policies and our conduct toward employees, suppliers, clients and the countries where we do business. Citi's Statement on Human Rights is available [here](#).

In 2011, the UN Human Rights Council endorsed the "Guiding Principles on Business and Human Rights," which includes the "[Protect, Respect and Remedy](#)" Framework. This framework confirms:

- » The State duty of governments to protect human rights
- » The corporate responsibility to respect human rights
- » The need for access by victims to effective remedy

We participated in the consultation process for the development of the "Guiding Principles" and the Framework. We had planned to update our Statement on Human Rights to incorporate these principles, but we decided to conduct a more in-depth internal engagement process prior to publishing the update. We will publish the update in 2013.

Our Environmental and Social Risk Management (ESRM) Policy, which helps us manage risks in the projects we finance, incorporates key human rights provisions. The policy requires ESRM-covered transactions in emerging markets to comply with the International Finance Corporation's Performance Standards on Environmental and Social Sustainability. These standards cover issues such as the involuntary

resettlement of affected people and public consultation with affected communities and vulnerable groups, including the special rights and protections of indigenous peoples. Our ESRM Policy also prohibits financing transactions involving harmful child labor and forced labor. Reporting on human rights issues is part of our ESRM review process. Our performance in this area can be found on [page 46](#).

## Anti-Bribery and Anti-Corruption

The Citi Anti-Bribery and Corruption Policy prohibits any improper payment or promise of payment, or the provision of anything of value to foreign officials for the purpose of obtaining or retaining business or influencing official action.

## Government Relations and Public Policy

Citi Global Government Affairs (GGA) advocates policies and positions on Citi's behalf to lawmakers and other government officials across the globe. GGA is part of Global Public Affairs and comprises three teams: State and Local Government Relations (SLGR), Federal Government Affairs (FGA) and International Government Affairs (IGA). Headquartered in Washington, D.C., the group has professionals based throughout the world.

GGA partners with Citi's global functions and businesses to identify key issues that can impact how we operate both in the U.S. and around the world, from patent reform and trade law to efforts to reform the financial regulatory system.

## Political Contributions

Citi makes contributions in accordance with established guidelines set forth in our Political Contributions and Lobbying Statement as permitted under federal, state and local laws to help elect candidates whose views and positions are favorable to Citi, our industry and ultimately the free-market economy.

These contributions come from the voluntary, employee-funded Citigroup PAC or, when permitted, from corporate funds. Citigroup PAC contributes to candidates who support a strong private sector and promote entrepreneurship. Citi does not use corporate funds for independent expenditures and has requested

## Recognition for Citi's Head of Global Government Affairs

Candi Wolff, Executive Vice President and Head of Global Government Affairs, was named one of the Top 25 Most Influential Women in Washington by *National Journal* and a Woman to Watch in banking by *American Banker*.

AWARD

confirmation from the business and trade associations to which it pays dues that no portion of Citi's dues are used to fund independent expenditures. To ensure compliance with applicable laws and public disclosure obligations, all political contributions are reviewed and approved by Citi's Global Government Affairs group and General Counsel.

Citi makes available to its shareholders and stakeholders a list of all corporate political contributions and contributions made by Citigroup's PAC. The U.S. Political Contributions list for 2012 can be found [here](#).

### Public Policy Involvement

Citi advocates public policies in the U.S and abroad that value our business, our customers and employees while furthering our efforts to have a positive impact on society. Our GGA staff actively lobbies on financial and economic issues that impact our company, clients and our ability to do business. In particular, Citi is focused on financial reform efforts, consumer protection issues, tax reform, expanding trade opportunities, strengthening data security protections and similar probusiness initiatives. GGA's lobbying efforts include developing messages and devising legislative strategies to educate stakeholders and policymakers on how proposed regulations and legislation will impact Citi, the financial industry and the global business community. Through our efforts, we help legislators make informed decisions that will affect our employees and our operating environment. Our guidelines for lobbying can be found in our [Political Contributions and Lobbying Statement](#).

GGA provides support to Citi's businesses and functions implementing consumer protections, helping veterans and undertaking socially responsible and community-driven initiatives. We also work with

outside groups to advance certain strategies, including financial trade associations (such as the American Bankers Association) and business coalitions (such as the U.S.- Korea Free Trade Agreement Business Coalition). Identifying associations and coalitions that share our goals allows us to develop a broad strategy with like-minded companies to educate policymakers and stakeholders on key issues of concern.

GGA professionals are required to attend training on applicable laws and internal compliance policies and are expected to demonstrate the highest standards of professional integrity.

### Corporate Taxes

Our approach to taxes emphasizes both strong internal controls and transparency with relevant authorities. Internal controls include regular assessments of the financial impact of taxes on corporate and business operations and the reporting processes for such taxes. Transparency includes open communication with tax authorities and developing real-time working relationships, where possible. This approach, together with appropriate tax planning, is part of Citi's culture of responsible finance.

At Citi, this culture also includes working closely with regulators and tax authorities to ensure that the impact of tax laws and regulations is understood. We are active participants in industry bodies, providing input into consultation processes on tax developments impacting our industry and participating in ongoing discussions on the impact of U.S. corporate tax reform on U.S. multinationals. These discussions cover the effect of a corporate tax rate reduction on operations in the U.S. market and the potential effects of subjecting operations in foreign markets to a single level tax (i.e., in the host country).

## CASE STUDY: PUBLIC POLICY INVOLVEMENT

## Citi Public Policy Involvement in 2012

**Cybersecurity:** Citi makes it a priority to protect customer data in the face of emerging cyber threats, the explosive growth of Internet and mobile banking, and the increasing sophistication of computer hackers. Our global stature presents a unique set of challenges as we navigate state, national and international cybersecurity standards and laws. We have worked closely with attorneys general, state legislators and members of Congress to discuss the need for effective cybersecurity legislation, as well as consistent standards. We are also working through financial trade associations and other informal business coalitions to educate lawmakers on the financial services sector's current cybersecurity compliance and the negative impact of enacting redundant regulations.

**Financial Transaction Tax:** Policymakers on both sides of the Atlantic have discussed implementing a financial transaction tax (FTT). Some European countries have already put a form of FTT in place nationally, and there is continued debate on the merits of a coordinated tax at the EU level. Eleven out of 27 EU Member States, including the U.K., have made clear that they are opposed and will not participate. The interest in new transaction taxes is driven by a belief that the financial sector—and particularly banks—has not adequately shared the costs of the economic crisis and by a desire to create a disincentive for certain types of trading. Our GGA team is involved closely in industry advocacy, ensuring that the impacts of such a tax on the financial sector and on the wider economy are understood fully by policymakers, and challenging the assertion that the sector is undertaxed. In coordinating with businesses and local banking associations in the EU, GGA is helping raise awareness among finance ministries and the EU institutions of the potentially negative impacts an FTT would have on jobs and growth.

**Trans Pacific Partnership:** For more than two years, landmark free trade agreement negotiations, known as the Trans-Pacific Partnership (TPP), have been underway among 11 countries representing well over half of global trade. The rules and commitments for market access being negotiated will provide both protections and new business opportunities for Citi and our clients. Citi has been a central player in these negotiations from the outset.

After contributing heavily to efforts that led to the passage of free trade agreements with Korea, Colombia and Panama, Citi became a co-chair of the U.S. Business Coalition for the TPP and provides leadership on behalf of the U.S. financial sector to emphasize the need for a comprehensive and forward-leaning TPP agreement. GGA helped facilitate a letter signed by 10 business associations from the TPP countries, encouraging the leaders of those countries to make the TPP a top priority in their respective trade agendas.

GGA also sponsored a TPP press briefing on Capitol Hill with U.S. Trade Representative Ron Kirk and members of Congress, where Citi spoke on behalf of the U.S. Business Coalition for the TPP, noting that Citi's 200 years of experience has taught that free markets are the most effective engines for economic growth.

A woman with dark hair, wearing a brown headband and a small earring, is smiling and looking upwards. She is holding up a large, dark-colored textile with vibrant, colorful embroidery, including floral and leaf patterns in red, blue, and yellow. The background is blurred, showing other people and colorful fabrics.

# SERVING COMMUNITIES

## 2012 PROGRESS

**Citi Community Capital** financed 19,500 housing units, including 4,600 designated for seniors, for a total of \$3.5 billion in loans throughout the U.S.

**Citi Microfinance** provided an \$18.5 million loan to propel the microfinance sector in Indonesia.

**Citi Community Development** invested \$2.8 million in 14 innovative programs that have the potential to serve as national models for achieving financial inclusion.

**The Citi Foundation** invested \$76.5 million to support financial inclusion and economic empowerment programs globally. These programs placed 1.1 million people on the path to meeting their financial inclusion goals, 35 percent of which were able to achieve these goals.



Each client and community we work with globally has individual needs. By providing effective financial solutions and engaging in creative community problem solving, we are as local as we are global.

In promoting financial inclusion, we serve clients and communities that have difficulty accessing mainstream banking services. Our work centers on individual banking services, small business solutions, affordable housing finance and microfinance sector support.

In the United States, Citi Community Development leads our commitment to achieve economic empowerment and growth for underserved individuals, families and communities by expanding access to financial services and building sustainable business solutions and innovative partnerships. In addition, Citi Community Capital offers nationally recognized expertise in financing all types of affordable housing and community reinvestment projects.

Globally, Citi Microfinance develops commercial relationships with a wide group of stakeholders, including microfinance institutions, local banks, fund managers, multilateral agencies, corporations, public sector clients and investors to expand access to financial services for the unbanked and underserved.

We team up with community-based organizations, public agencies and suppliers to revitalize communities and create economic opportunity.

Our commercial activities are complemented by the Citi Foundation's investments in partners that promote financial inclusion and economic empowerment. The Foundation provides support to nongovernmental organizations working on the ground and on thought leadership and innovation programs that promote the scaling of proven ideas.

Two other important partners in our efforts to serve communities are our employees and our diverse supplier base. We encourage employees to participate in activities that complement our community activity (see Employee Volunteering and Engagement, [page 32](#)), and we actively seek to work with a wide range of diverse suppliers and consultants, including minorities, women, veterans and people with disabilities. These partnerships strengthen the communities we serve and create value for our shareholders.

## Financial Inclusion

Financial inclusion is central to the way we do business and a key component of our commitment to responsible finance. We work across Citi business lines—and with community groups, governments, institutions, networks and nonprofit organizations—to develop initiatives that expand economic opportunity and access for underserved communities, including the 2.5 billion people in the world without access to formal financial services. Using this collaborative approach, we:

- » Work with financial intermediaries to test new ways of serving unbanked and underserved communities and ultimately increase our reach in these communities
- » Help consumers build their own financial capability by pairing financial education with access to appropriate products and services so they can adopt positive financial behaviors, develop financial assets and strengthen their resiliency against unforeseen circumstances
- » Finance affordable housing and community infrastructure projects that create a solid foundation for financial stability and success
- » Make it possible for microentrepreneurs and small business owners to start and sustain their businesses and create jobs
- » Enable young people to obtain skills and advanced educations that prepare them for productive livelihoods and increase their earning potential

## CASE STUDY: FINANCIAL INCLUSION

## Improving Financial Education in India

In 2012, the first ever IIMA-Citi Financial Literacy Symposium was held in India, in partnership with India's premier management school, the Indian Institute of Management, Ahmedabad (IIMA). The daylong symposium, Citi India's flagship thought leadership platform on the subject of financial literacy, attracted more than 100 attendees, including regulators, government officials and representatives of corporations and nonprofits. The keynote speakers were Pamela Flaherty, Director of Corporate Citizenship and President and CEO of the Citi Foundation, and Dr. K. C. Chakrabarty, Deputy Governor, Reserve Bank of India. This symposium helped catalyze national discourse on the state of financial capability in India among key consumer segments, including young adults, workers and retirees.

## Microfinance

*"Access to savings, insurance, loans and other financial services—and a good understanding of how they work—enables economic empowerment, which helps create vibrant communities."*

—Bob Annibale, Global Director, Citi Microfinance and Citi Community Development

Citi Microfinance develops commercial partnerships with microfinance institutions (MFIs), segment-specific banks, networks, investors and corporate clients around the world. Working across Citi businesses, product groups and regions, Citi Microfinance has grown to support more than 150 MFIs, local banks, networks and investors in more than 49 countries.

Through Citi's Institutional Clients, Transactional Services groups and the Consumer and Commercial bank, we provide financial intermediaries with:

- » Local currency funding, working with partner agencies and investors
- » Transaction services and foreign exchange solutions
- » Access to local capital market structures that help intermediaries expand their outreach and serve millions of unbanked and underserved customers

- » Alternative distribution channels—including prepaid cards, mobile financial services and correspondent networks—to reach unbanked communities cost efficiently
- » Financing and product innovation and development with partners

In 2012, recognizing a trend toward growth and diversification within the microfinance industry, Citi Microfinance began building partnerships with an even wider range of organizations, including wireless carriers, mobile-banking platforms and technology providers, as well as mainstream banks, multinational clients, public sector clients, insurers and reinsurers. These partnerships will help us engage with a broader range of clients, such as small producers becoming part of multinational clients' supply chains or the millions of customers whose mobile phones are their primary link to financial services.

## Citi Microfinance supports 150 MFIs, local banks, networks and investors in nearly 50 countries around the world.

While we are making important progress in the area of financial inclusion, challenges remain, such as:

- » Addressing the poor infrastructure in some markets, including the lack of credit information systems
- » Dealing with government intervention in some countries
- » Growing and expanding services at a reasonable cost to clients
- » Providing financial education to microfinance clients to build financial knowledge and skills so they can make informed decisions

Citi is working to meet these challenges by developing alternative networks of agents in some countries that will bring financial services to unbanked communities, even in remote areas. These agents provide convenience to customers who are not accustomed to traditional bank branches. Citi also maintains a proactive and rich dialogue with regulators to drive the introduction of simpler account-opening processes, including the ability to open accounts remotely to foster financial inclusion.

## CASE STUDIES: MICROFINANCE

## Boosting Microfinance in China

Since 2010, Citi and the Citi Foundation have provided nearly \$300,000 in funding to strengthen the capacity of the Microfinance Department of the China Foundation for Poverty Alleviation (CFPA). In 2010, the CFPA set an ambitious goal of serving over 100,000 clients across China over three years. With our funding and support, the CFPA was able to build sound IT and risk management systems, improve its risk reporting, expand internal staff capacity and develop a financial education curriculum for its clients, enabling it to surpass its goal by serving 126,000 people from 14 provinces by the end of 2012.

## Extending Our U.S. OPIC Partnership to Help Microentrepreneurs

Since 2006, Citi's partnership with the U.S. Overseas Private Investment Corporation (OPIC) has funded \$340.9 million through 38 microfinance institutions in 21 countries, which in turn provide more than 960,000 borrowers with small loans—91 percent of borrowers are women and 44 percent live in a rural setting.

Most recently, in 2012, Citi Indonesia, Citi Microfinance and OPIC provided an \$18.5 million term loan to fund the growth and strategy of Bank Andara's microfinance business and to promote the financial inclusion of microentrepreneurs and small businesses in Indonesia. Bank Andara is a force multiplier for low-income households and small entrepreneurs in rural Indonesia. This loan is a part of Citi's and OPIC's joint global initiative to support microfinance lending in emerging markets worldwide.

## Citi Praised for Work with OPIC

In 2012, Citi won the **Business in the Community International Award for Excellence** for Citi Microfinance's partnership with the Overseas Private Investment Corporation (OPIC) to address the 2.5 billion people around the world who lack access to financial services.

Citi Microfinance is also working closely with the Citi Foundation on strategic research and philanthropic efforts designed to help the microfinance industry innovate and develop new products and services to promote financial inclusion and attract new investors to the global microfinance and U.S. community development finance industries.

*"The ability to store and transfer money, as well as to make small payments using mobile phones, has the potential to lift millions out of poverty, just as the Green Revolution did in the 1960s. Our partnership with Citi, a global banking leader, will accelerate implementation of these new services in a smart and safe way."*

—Raj Shah, United States Agency for International Development (USAID) Administrator

## CASE STUDY: MICROFINANCE

## Reaching Unbanked and Underbanked Customers in Mexico

Citi and Banamex, our Mexican subsidiary, partnered with América Móvil, the largest mobile network operator in Latin America, to introduce mobile wallets, which enable unbanked customers to make and receive payments on their mobile phones. This innovative mobile payments solution targets more than 50 million unbanked and underbanked individuals in Mexico and is becoming an important contributor to financial inclusion in this country.

The mobile wallet product—called Transfer—is linked to simplified bank accounts and is being replicated in 18 markets in the region. Through these accounts, customers can work with the bank to address their diverse financial needs in what is usually their first relationship with the formal financial sector. The partnership will provide financial services to over 250 million América Móvil customers in the largely unbanked region. Transfer was awarded the 2012 best e-Business solution in the finance category by the business news channel CNN Expansión.

## Financial Stability and Enterprise Development

In an economic environment still marked by high unemployment, slow job growth and a sluggish housing market, the need for financial stability, job creation and affordable housing is particularly acute. As a result, in 2012, Citi Community Development focused on initiatives that address key community needs—financial

recovery, enterprise development and neighborhood revitalization—while fostering innovation and providing thought leadership, especially in the field of savings and asset building. We also collaborated with internal and external stakeholders to address these economic issues through impactful, multiyear public-private partnerships that include key nonprofit partners, advocates and public policy decision makers.

### CASE STUDY: MICROFINANCE

#### Supporting Communities, Helping the Environment in Mongolia

Citi Microfinance worked with Citi's London-based Environmental Products Trading and Origination team to purchase 1.17 million metric tonnes of carbon credits over the next seven years from the social enterprise MicroEnergy Credits. The carbon credits will be generated by reducing greenhouse gas emissions through the installation of more efficient household insulation and heating fixtures in Ulaanbaatar, Mongolia's capital city.

The arrangement calls for Mongolia's XacBank to provide microloans that its customers can use to purchase energy efficient products for the home, including insulating "blankets" that cover the portable tent-like structures—called *gers*—in which many Mongolians live. In addition to providing a more comfortable living environment, ger blankets help reduce fossil fuel consumption and carbon emissions that result from the coal-burning stoves Mongolians use to heat their homes.

The reductions in emissions will be earned by XacBank clients and assigned to MicroEnergy Credits, which develops carbon finance projects and brings clean energy to low-income microfinance households in developing countries. MicroEnergy Credits will then quantify, aggregate and sell the credits to Citi. We then will sell them on the open market through our Environmental Products Trading and Origination team. Portions of the proceeds from Citi's carbon credit purchase will be distributed by MicroEnergy Credits back to XacBank, allowing the Mongolian lender to expand its clean energy program, build additional marketing and distribution centers and increase access to affordable clean energy loans.

### CASE STUDY: FINANCIAL STABILITY

#### Educating Consumers about the Earned Income Tax Credit (EITC)

About 20 percent of eligible taxpayers do not claim the EITC—a refundable tax credit for low- or moderate-income households—depriving this community of the billions of dollars that could be used to increase family savings, invest in small businesses or pay for college.

In 2012, Citi Community Development produced a unique, market-specific publication, *Money Matters*, designed to connect eligible taxpayers with local community organizations that provide or promote free tax assistance. *Money Matters*, which also highlights the availability of free tax preparation services through the Volunteer Income Tax Assistance (VITA) program of the Internal Revenue Service, reached more than 1.9 million people, covered 15 states, was featured in 21 publications, profiled 36 nonprofit partners and was printed in both English and Spanish.

In 2013, we are making the publication available online and in digital form with the goal of reaching many more taxpayers who could benefit from the EITC.

*"We are living in tough economic times. People need to keep every hard-earned dollar that they can, and the Earned Income Tax Credit helps people do just that. Citi's targeted national campaign will encourage people from metropolitan areas across the country... to take advantage of both the EITC and the VITA program."*

—Michael A. Nutter, Mayor of Philadelphia

## CASE STUDY: FINANCIAL CAPABILITY

## Mobile-Based Apps Promote U.S. Consumer Financial Capability

Technology has been rapidly changing the way people access information and learn. To leverage technology's ability to transform consumers' financial behaviors to save and increase their assets, the Citi Foundation provided funding to help initiate the MyMoneyAppUp Challenge, a national competition that harnessed the creativity of entrepreneurs, software developers, students and the public to design next-generation mobile applications that help consumers better manage their finances.

A partnership among the U.S. Department of the Treasury, the Center for Financial Services Innovations (CFSI) and the Doorway to Dreams Fund (D2D), the Challenge garnered more than 300 unique ideas and concepts and produced some 100 new app proposals. To bring the apps to fruition, CFSI and D2D launched the FinCapDev competition, in which app designers could access expert advice and resources to develop functional app prototypes that the public will be able to use to improve financial management. In support of the Citi Foundation's "More than Philanthropy" approach, we engaged technology and marketing experts within Citi as advisors on this program.

Citi Community Development received the **E Pluribus Unum Prizes' Corporate Leadership Award** from the Migration Policy Institute for our work with CASA de Maryland to provide microloans to cover naturalization fees for immigrants in the State of Maryland.

The American Bankers Association honored Citi with its first ever **Community Commitment Award** in the Economic Development category for our collaboration with The WorkPlace for the innovative Platform to Employment program.

## STAYING ENGAGED

Citi recognizes that solutions to many complex community challenges require sustained investment and collaboration over time. Here are some examples of how our long-term commitments have made a real difference:

## Kindergarten to College

Since introducing Kindergarten to College, the first universal college savings account program in the U.S., with the City and County of San Francisco in 2010, close to 8,000 accounts have been opened, and all 72 San Francisco Unified School District elementary schools are now participating in the program. Kindergarten to College's combination of matched savings with financial education that is integrated into the public school curriculum reflects our commitment to removing barriers to higher education and to combining access to financial tools with knowledge.

## Platform to Employment

In the U.S. almost 4.8 million people are long-term unemployed, or out of work for more than six months. Platform to Employment connects long-term unemployed individuals who have exhausted their unemployment benefits with employers who need to recruit skilled workers. Citi Community Development provides participants with financial counseling and credit rebuilding assistance to help them overcome the significant financial challenges faced during unemployment. The program has a proven success rate—80 percent of the graduates who complete the program get jobs. As a result, Citi Community Development, in partnership with the AARP Foundation and Walmart Foundation, is making the program available in 10 additional cities in 2013, beginning with Chicago, Cincinnati, Dallas and San Diego. The program is being expanded to address the specific needs of unemployed workers over 50 years of age and military veterans.

## CASE STUDY: FINANCIAL STABILITY

## Expanding the Economic Opportunities Associated with Citizenship

In the U.S., it pays to become a citizen. The median income of naturalized citizen households is 37 percent higher than those of noncitizens.\* This indicates that naturalization leads to opportunities for higher income and achieving other household goals. That's why Citi has joined a number of community partners to support aspiring citizens so that they can realize the economic benefits of citizenship.

Maryland: We worked with CASA de Maryland to initiate the successful Citizenship Maryland program to empower eligible immigrants. Citi Community Development provided support and technical advice to local Community Development Financial Institutions that provide microloans to cover naturalization fees.

New York: Building on the CASA model, Citi Community Development in collaboration with the City of New York launched NYCitizenship in Schools. This program brings together public and private partners to provide free naturalization application assistance, legal guidance, access to microloans and financial education for eligible immigrant parents of New York City schoolchildren.

San Francisco: Citi Community Development worked with San Francisco's Mission Asset Fund to expand its Lending Circles for Citizenship program, which enables low-income individuals to save toward the costs of applying for naturalization.

\*Source: Income, Poverty, and Health Insurance Coverage in the United States: 2011

## Revitalizing Neighborhoods

Citi invests in infrastructure that makes our neighborhoods attractive places to live and generates opportunities for economic advancement for residents. Innovative financial solutions developed through multistakeholder partnerships have the power to generate scaled investment in services that make a difference in a community, such as high-quality affordable housing, health care centers and excellent schools.

## CASE STUDY: NEIGHBORHOOD REVITALIZATION

## Preserving Affordable Housing in New York

Citi provided \$250 million in financing for the construction, rehabilitation and preservation of affordable housing in New York. Financing is also being provided by the New York City Housing Development Corporation and the New York City Department of Housing Preservation and Development.

This financing will create or preserve nearly 6,000 units of much-needed low- and moderate-income housing throughout New York State, including the construction of approximately 3,000 affordable apartments in New York City. The financing represents one of the largest one-time investments in affordable housing in Citi's history.

This unique collaboration draws on the strengths of the participating institutions and brings together tools that allow for low-interest rate lending to developers of affordable housing. In keeping with NYC's Greener Greater Buildings Plan, all of the properties financed under this program will be retrofitted with energy-saving features.

*"This initiative will provide much needed capital for affordable housing for communities across New York City and State and reflects CPC's renewed focus on our core mission of creating sound rental housing for lower-income families and rebuilding communities."*

—Rafael E. Cestero, President and CEO, Community Preservation Corporation (CPC)

THOUGHT LEADERSHIP:  
NEIGHBORHOOD REVITALIZATION

## Connecting Policy to Performance

In an innovative public-private partnership, Citi Community Development and PolicyMap launched an interactive, web-based tool in 2012 that offers a simple yet powerful way to examine the state of every congressional district in the country. Developed for legislators and their advisers, as well as for community organizations and local residents, [mydistrictdata.com](http://mydistrictdata.com) provides easy access to a series of on-demand reports based on economic, employment, financial, educational and housing conditions. "By making critical data accessible and actionable, this tool will strengthen the connection between the national agenda and the local issues that drive it," noted Bob Annibale, Global Director, Citi Microfinance and Community Development.

In 2012, Citi Community Capital lent and invested more than \$5.3 billion in 255 transactions with communities in the United States.

## In 2012, Citi was the top affordable housing lender for the third year in a row.

We are honored that our strong commitment to affordable rental properties enabled Citi to be ranked the number one U.S. lender by *Affordable Housing Finance* magazine in 2012 for the third consecutive year, with a lending volume of \$2.6 billion.

### Affordable Housing

Citi Community Capital offers the most comprehensive services and products for nonprofit and for-profit affordable housing developments. Its responsible lending solutions include predevelopment loans, construction financing and permanent financing. Citi is the highest-rated and most experienced affordable housing lender, with more than 19,500 units financed and completed in 2012, serving families, seniors and veterans.

## Serving Small Businesses and Creating Jobs

Small businesses are a critical component of a strong economy and generate opportunities for reinvestment in their communities by creating jobs. Citi has multiple lending programs for small businesses, both conventional and nonconventional, with the goal of responsibly providing loans to as many small business customers as possible. Small business clients have an opportunity to access this capital through loans, lines of credit and other conventional products.

Through Citi's Commercial Banking business, we serve the needs of more than 100,000 small to medium-sized enterprises in 30 countries. From 2011 to 2012, Commercial Banking loans for these companies rose by 7 percent globally, excluding the impact of foreign exchange fluctuations.

In the U.S., we have more than doubled our lending to entrepreneurs from 2009 to 2012. We've also responded to a call from the U.S. Small Business Administration to provide access to lending and capital that will help create jobs and speed economic recovery by committing to lend \$24 billion to small businesses across the U.S. in 2011, 2012 and 2013. At the end of 2012, we surpassed our annual goal by \$1.6 billion, lending a total of \$9.6 billion to small businesses, a 21 percent increase from 2011. Citi's total small business lending over the first two years of the pledge is now at \$17.5 billion.

We also collaborate with local technical assistance providers to offer expertise to new and expanding small businesses as they work to grow their companies, their incomes and their employee bases.

### Serving Our Military and Veterans: Citi Salutes™

Building on a proud tradition of providing career opportunities and best-in-class customer service to service members, veterans and their families, in 2012 Citi launched Citi Salutes, a firm-wide initiative encompassing all of Citi's programs, products and partnerships that support the veteran and military communities.

## CASE STUDIES: SMALL BUSINESS

## Connecting Citi and Small Businesses

As a founding member of the IBM Supplier Connection portal, Citi has committed to using the Supplier Connection database to find U.S. small businesses that meet our sourcing needs. Through this collaboration in 2012, Citi discussed and promoted Supplier Connection at more than a dozen external events, such as trade shows, conferences and industry panels. Most notably, in March 2012, Dick Parsons, Citi's then-Chairman, joined Karen Mills, Administrator of the SBA, and Stanley Litow, President of IBM Foundation, at a press announcement focusing on the initiative and recognizing the Small Business Administration's support and collaboration.

## Building Bridges to Business Success

Bridges to Business Success is a public-private partnership that certifies and trains minority business enterprises on contract bidding and business expansion. The program uses federal Neighborhood Stabilization Program funds received by the City of Los Angeles to create jobs and revitalize neighborhoods. Through the program, minority-owned small businesses focused on real estate receive support to help them more effectively compete for government and private sector contracting opportunities.

The program began in San Diego in 2009, when Citi, the Greater San Diego Business Development Council and the Small Business Development Center launched Bridges to New Business Opportunity, a program that provided small business owners with the knowledge and certification they needed to bridge the gap between their companies and commercial contracting opportunities. Seven certified graduates applied for contracts. In 2010, the program was launched in Las Vegas, where 30 certified graduates successfully competed for contracts.

The Bridges to Business Success program in Los Angeles is expected to serve 100 participants and create or retain 200 jobs. Already, the first group of certified graduates has been awarded \$4 million in contracts.

## Accelerating the Growth of Urban Manufacturing across the U.S.

Urban manufacturing can reduce chronic unemployment and regain its foothold in dense urban areas.

Starting with that belief, Citi Community Development partnered with a coalition of nonprofit economic development organizations in 2012 to launch the Urban Manufacturing Alliance (UMA). Its mission: to accelerate the growth of urban manufacturing across the U.S. and capitalize on the sector's ability to create stable, high-quality jobs.

The UMA is anchored by the Pratt Center for Community Development in New York and SFMade in San Francisco. It will include manufacturing job creation efforts in 16 cities. Members will also share best practices and address common challenges.

SFMade's membership includes more than 400 companies that are headquartered in San Francisco. This vibrant sector now employs more than 3,000 low- to moderate-income individuals. In New York, the Pratt Center for Community Development has 850 member companies that employ more than 8,000 low- to moderate-income individuals.

The UMA will implement similar initiatives in Chicago, Oakland and New York City and integrate the work of groups in a dozen additional cities. UMA members will focus on common challenges, such as branding and supply chain linkages, and will create a forum for policy development and advocacy. The UMA will also develop toolkits for local manufacturing support organizations, create an online community, convene bimonthly meetings and publish a national policy brief for the urban manufacturing sector.

In 2012, Citi Salutes and Citi Community Development worked with CredAbility and three national veterans service organizations to develop CredAbility ReConnect, a free, online financial education and counseling program for active-duty, retired and separated service members, survivors and their families.

An employee-directed funding program was also launched to support local organizations serving veterans, service members and military families. Also in 2012, several national mentoring programs were launched to empower Citi employees to support the successful transition of veterans to rewarding civilian careers.

## Philanthropy

We strive to put our money, talent, experience and products to work in low-income communities where we can help accelerate economic opportunity, and to find ways to include more people in the financial system. We support specific causes that fit our mission of financial inclusion and those where philanthropic capital can seed the development and testing of new ideas with the potential to attain scale. To that end, we contribute in three distinct ways:

**The Citi Foundation** supports the economic empowerment and financial inclusion of low- to moderate-income people in the 90 countries where Citi has on-the-ground operations.

**Corporate Contributions** include financial donations to nonprofit organizations in a range of disciplines, including community development, culture and the arts, diversity, environmental sustainability and education.

**Disaster Response** supports preparedness, immediate relief and rebuilding efforts, all of which contribute to the long-term economic recovery of communities. These efforts are supported by both Citi and the Citi Foundation.

### The Citi Foundation

In 2012, the Citi Foundation gave \$76.5 million in 90 countries to support the economic empowerment and financial inclusion of low- to moderate-income people in communities where Citi operates. Through our “More than Philanthropy” approach, we put the strength of Citi’s business resources and people to work to enhance our philanthropic investments and generate measurable positive impact.

During 2012, our programs enabled 1.1 million individuals to work toward specific financial inclusion and economic empowerment goals. Of these, more than 35 percent will achieve their financial inclusion goals, while the remainder will make significant strides toward improving their financial prospects. Approximately 55 percent of all investments are aligned with our goal to support research and thought leadership efforts that encourage practitioner innovation, shape the industry dialogue and promote public policy development. To learn more about the Citi Foundation’s giving in 2012, see [Performance](#).

We use a results-oriented measurement framework that informs the way we assess the impact of the programs we fund. Every grant is carefully tracked to identify ways to ensure success and understand what works and why. This framework helps us define more clearly the results we seek in each of our core focus areas and enables us to work with our grantees to improve outcomes.

In 2012, to better understand our influence, we engaged the Center for Effective Philanthropy to conduct our first ever grantee perception survey. Grantees rated us highly for our interactions with them, particularly for our clear communications on our impact goals and strategies, and noted that they receive significant in-kind support in addition to cash grants, highlighting the effectiveness of our “More than Philanthropy” strategy. They also noted opportunities for improvement. In 2013, we will strive to continue simplifying our grant-making processes and improve our technology platforms to facilitate closer partnerships.

**In 2012, the Citi Foundation invested \$76.5 million to support 744 programs serving over 1.1 million people across 90 countries around the world.**

Citi Foundation Investment Strategy and Impact

Citi Foundation Focus Area	
<p><b>Financial Capability and Asset Building</b></p> <p>Sound money management skills, along with access to and use of appropriate financial products like credit and savings, enable people to achieve their goals and build and preserve assets.</p> <p>Our grants support initiatives that increase the number of low- to moderate-income adults and youth who adopt positive financial behaviors and accumulate and preserve financial assets.</p>	<p><b>Neighborhood Revitalization (in the U.S.)</b></p> <p>Affordable housing and vibrant local economies and communities are critical to ensuring that low- to moderate-income people have the chance to maximize economic opportunities.</p> <p>The Citi Foundation works to increase the number of affordable housing units or community facilities that contribute to the economic and environmental sustainability of low- to moderate-income communities.</p>
<p><b>Microfinance</b></p> <p>Financial products and services are critical tools that enable people to participate in the formal financial system.</p> <p>The Citi Foundation supports organizations that seek to design new asset building products and services that address clients' needs or utilize new delivery channels to provide access to finance to underserved communities.</p>	<p><b>College Success (in the U.S.)</b></p> <p>A college degree is critical to breaking intergenerational cycles of poverty and increasing earning power. A college graduate will make over \$1 million more over his or her lifetime than someone with only a high school degree, and 80 percent of the fastest growing careers in the U.S. require a postsecondary degree.</p> <p>The Citi Foundation supports programs designed to increase the number of low- to moderate-income students who enroll in and complete postsecondary education.</p>
<p><b>Enterprise Development</b></p> <p>Micro- and small enterprises create more jobs than any other segment of the economy. Our grants support programs that increase the number of micro- or small enterprises that provide new income generation or employment opportunities for low- to moderate-income individuals.</p>	<p><b>Youth Education and Livelihoods (outside of the U.S.)</b></p> <p>Youth ages 13-25 represent a growing percentage of the world's population yet suffer a disproportionately high rate of unemployment globally, leaving more than 80 million in search of meaningful work. Our grants support programs that increase the number of low-income youth who complete secondary school, become employed, start their own income-generating business or obtain postsecondary education or training.</p>

Citi Foundation Impact by the Numbers

Over 1.1 million people are working toward their financial inclusion goals as a result of our program. Of these, at least 35 percent will reach their goals, resulting in:

325,000 Individuals adopting positive financial behaviors, including saving and reducing debt

25,000 Students enrolling in postsecondary education and working toward a degree

6,900 Units of affordable housing rehabilitated or built, providing homes to over 12,000 people

24,000 Jobs created by building or expanding 32,000 micro- and small enterprises

15,800 Youths employed in a living-wage job

Strengthened the capacity of 500+ NGOs

## MULTIYEAR INITIATIVE CASE STUDIES

## Developing Asset Building Products in Latin America and the Caribbean

Research has shown that households with access to fairly priced and appropriate financial products are more likely to save regularly and use credit products to accelerate asset building. In response to this finding, in 2011 the Citi Foundation and the Inter-American Development Bank partnered to launch a groundbreaking \$6 million Financial Innovation and Research Fund to test and evaluate new business models to deliver asset building products to recipients of Conditional Cash Transfers (CCTs) across Latin America and the Caribbean.

Through this three-year investment, the delivery of savings accounts to CCT recipients will be tested among 14 financial institutions and microfinance institutions (MFIs) representing at least seven countries, including Brazil and Colombia. While the first year of this demonstration project was focused on planning, in 2012 the first innovation partners, who are set to reach more than 40,000 individuals through their pilots, were selected to participate in the project to understand what works and strengthen the business case for providing savings products to low-income individuals in a profitable and sustainable manner.

## Building College Aspirations by Removing Financial Barriers

In 2010, the Citi Foundation, Citi Microfinance, the Corporation for Enterprise Development, the United Negro College Fund and the Knowledge Is Power Program (KIPP) collaborated to develop the KIPP College Accounts Program. This is a groundbreaking investment to link savings, financial education, scholarships and academic counseling to reinvent college success while bringing countless families into the financial mainstream.

Over the past two years, the initiative has been piloted with 5,100 students in more than 20 middle and high schools in the KIPP Charter School network in five KIPP regions. Preliminary results of the program suggest that after only one year, participating students felt 10 percent more confident than their peers when asked if they know how to navigate the college application process.

## CASE STUDY: FINANCIAL STABILITY

## Innovative Program Helps Customers Strengthen Their Credit Scores

Justine PETERSEN (JP) is a St. Louis-based nonprofit that helps low- and moderate-income families and individuals buy homes and build financial assets for the long term. Since 2009, JP has partnered with a Citigroup subsidiary to offer financial education and counseling to borrowers with low or no credit scores.

JP's innovative financial education program, combined with a powerful credit-building product—a secured credit card—has enabled hundreds of customers to strengthen their credit scores with minimal risk to them or the financial institution. This is a successful example of a partnership model that embeds financial capability in the design and distribution of financial products and services.

A natural progression of this model was the launch of the Chicago Credit Building Coalition (CCBC) in 2011. This group of 11 local Chicago-area community development organizations and Citi businesses (Citi Community Development, Citi Microfinance and Banamex USA) will work to expand financial inclusion for low- and moderate-income residents in the Chicago area by complementing existing financial education programs with a financial tool, provided by Citi, that supports credit building.

The community development organizations, Justine PETERSEN and Credit Builders Alliance will provide CCBC members with assistance and tools to increase their capacity to provide these services. They will monitor the impact that financial coaching, combined with the use of this product, can have on individuals' credit profiles. In 2012, the CCBC successfully signed up 92 small business owners.

THOUGHT LEADERSHIP:  
PROMOTING SUSTAINABLE DEVELOPMENT

## Fostering a Dialogue on Sustainable Supply Chain Finance

Agriculture is the main source of income and employment for over 1 billion people globally, including over 70 percent of the world's poor. Smallholder farmers, most of them in Africa, Asia and Latin America, are becoming an increasingly important segment of the global food market but often lack access to finance and other resources. Building on the 2011 Rainforest Alliance meeting of leaders driving sustainability in supply chains, the Citi Foundation has invested in examining the smallholder farmer financing needs through the *Catalyzing Smallholder Agricultural Finance* research report by Dalberg Global Development Advisors. The report sizes the global market for smallholder agricultural finance and informs investors, multinational commodity buyers and donors of potential mechanisms to deploy capital to smallholder farmers and enable them grow their income and improve their livelihood.

## Advancing the Community Development Movement

We believe we have an important role to play in convening thought leaders to design next-generation solutions. As longtime investors in the community development field, we recognize that the rapidly changing economic environment requires different approaches to change. Support provided by the Citi Foundation in 2012 helped the Low Income Investment Fund and the Federal Reserve Bank of San Francisco work in partnership with to publish a book aimed at developing a renewed vision for the community development movement and how it can address the pressing issue of poverty in America. The book, *Investing in What Works for America's Communities*, features articles from key leaders across a broad range of sectors who provide specific suggestions for building communities that are healthy places to live, learn, work and play—places that put families on more solid economic footing. We hope this groundbreaking work will encourage the industry to work and invest together in new ways to increase impact and alleviate poverty.

## Disaster Response

Citi and the Citi Foundation have a long tradition of providing support to individuals and communities. In 2012, the Citi Foundation introduced a new community disaster response strategy that employs a holistic approach supporting preparedness, immediate relief and rebuilding efforts. This strategy acknowledges our belief that economic recovery after a disaster is a long-term process that goes beyond immediate relief. Our strategy is improving the way we use our philanthropic resources to make smarter, more impactful investments that lead to resilient communities.

In fact, one of the first investments the Citi Foundation conducted in 2012 was a livelihood restoration program focused on small business development for women living in Van, Turkey, who were impacted by an earthquake in late 2011. The program, designed by a long-term partner, the Foundation for the Support of Women's Work, complemented the relief activities implemented by Citi immediately following the disaster.

Other innovative investment examples include our partnership with the Inter-American Development Bank (IDB). The IDB and the Citi Foundation have taken the first step in increasing the number of providers that offer microinsurance products to help low-income people in 20 countries across Latin America manage their risks and be better prepared to face disasters. In Asia, the Citi Foundation is collaborating with the Kenan Foundation Asia to build the capacity of small hotel owners and managers operating in disaster-prone communities in Thailand and enabling them to better incorporate disaster-continuity plans into their business operations.

## CASE STUDY: DISASTER RESPONSE

## Hurricane Sandy: Citi's New Disaster Response Strategy in Action

Within 24 hours after Hurricane Sandy struck the eastern United States in late October 2012, the Citi Foundation provided a \$1 million grant to the American Red Cross for immediate relief efforts. This was in addition to Citi's Red Cross Disaster Relief initiative. Recognizing how critical local NGOs are to the relief effort and in stabilizing communities, Citi donated to a number of organizations in New York City and surrounding areas that were affected by the storm, including Friends of Hudson River Park and the Tunnels to Towers

Foundation. Citi Community Development provided \$500,000 in emergency funding to five community organizations in New York and New Jersey to boost their capacity frontline support. These financial contributions were complemented by in-kind and volunteering initiatives driven by employees in partnership with local community organizations. The largest of these efforts was conducted over a weekend in November 2012, when more than 470 Citi volunteers helped the American Red Cross deliver food, care packages and supplies into hard-hit areas.

## Corporate Contributions and Sponsorships

We make financial donations to nonprofit organizations in a range of disciplines including community development, culture and the arts, diversity, environmental sustainability and education. In 2012, Citi contributed \$60.5 million in corporate giving, outside the Citi Foundation.

We seek to support organizations and causes that are important to our employees and to the communities in which we operate. Where possible and appropriate, we also seek to ensure consistency between our community giving and our business goals and operations. This means that we look to support programs that fulfill Citi's legal or regulatory requirements or public policy objectives and those that align with our business objectives, corporate culture and strategic philanthropic goals.

In 2012, Citi received the **Corporate Innovator of the Year Award** from the City of Los Angeles in recognition of our leadership in bringing together a network of stakeholders to implement the Bridges to Business Success program.

Citi has been recognized with several awards for the work of Citi Salutes, including the **2012 Secretary of Defense Employer Support Freedom Award** from the Employer Support of the Guard and Reserve, a Department of Defense agency.

## CASE STUDY: CORPORATE CONTRIBUTIONS

## Helping Give Harlem Kids Perspective beyond Their Neighborhoods

The mission of Boys & Girls Harbor is to empower children and their families to become full, productive participants in society through education, cultural enrichment and social services. Citi was honored at the organization's Salute to Achievement Gala. In conjunction with the event, the Citi Foundation provided the organization with a fast-track grant to help further develop its college-preparatory program for inner city youth.

The organization's Harbor Day celebration was also one of the sites for Citi's Global Community Day, which attracted 175 Citi volunteers at the street fair and showcased community services and activities of this Harlem-based organization. Citi also encouraged cooperation between the Harbor and the Museum of the City of New York, which is located across the street. During the daylong Harbor Day event, the museum opened its doors and held tours of the exhibitions for attendees, including the Citi-sponsored *Capital of Capital: New York's Bank and the Creation of a Global Economy*. Citi employees also volunteered by holding a financial literacy workshop.

# Employee Volunteering and Engagement

At the core of Citi volunteerism and engagement are the many employee-led affinity groups—including Employee Networks, business-specific outreach committees, Green Teams and Volunteer Councils—that mobilize employees and connect them to existing Citi community partners. Our 24 Volunteer Councils in nine countries support our global team of Volunteer Leaders in advancing volunteerism within the company.

Our approach to encourage volunteerism and engagement includes:

- » **Volunteer Day:** We encourage all eligible employees to take one paid day off each calendar year to volunteer for an eligible organization of their choice.
- » **Skill-based Volunteer Programs:** Citi engages in designing and implementing volunteer activities that utilize personal or professional skills to deliver information or service to either individuals or community partners. In 2012, Citi piloted the “Citi Skills Marathon,” a unique daylong event that partners teams of Citi professionals with community partners that work collaboratively on predefined projects in key areas such as finance, technology, human resources and communications.
- » **Global Community Day:** This is an annual day of service that provides the opportunity for employees, along with their friends and family, to come together as a global volunteer team.
- » **Volunteer Management System:** Employees use our online database to research, register for and track volunteer opportunities in their area.

In 2012, our employees reported 1,340,433 volunteer hours, a 70 percent increase over 2011. The sharp increase in volunteer hours resulted primarily from our 2012 Global Community Day, which coincided with the celebration of our 200th anniversary.

	2008	2009	2010	2011	2012
Volunteer hours	517,433	403,824	608,953	789,000	1,340,433

## Global Community Day

Each year, we unite across businesses and around the world on Global Community Day to volunteer on projects geared toward improving communities. On June 16, 2012, Citi’s 200th anniversary, we honored that spirit of common purpose—one team with one goal: serving our clients, stakeholders and communities. More than 111,000 Citi employees and their families and friends in 93 countries volunteered for community projects focused on literacy, housing, environmental protection, nutrition, health care and disaster relief, an increase of more than 150 percent over 2011’s Global Community Day.

See the map on the [next page](#) for regional highlights.

## Citi Tops the Civic 50 Survey

Citi was recognized as the top financial services company and the second-ranked overall organization in the Civic 50 survey, the first comprehensive ranking of S&P 500 corporations that best use their time, talent and resources to improve the quality of life in the communities

where they do business. The survey was conducted by the National Conference on Citizenship and Points of Light, the nation’s definitive experts on civic engagement, in partnership with Bloomberg LP.

## Global Community Day 2012



## NORTH AMERICA

1) **United States**

**New York:** More than 4,800 employees across the tristate area engaged in community projects, including teaching financial skills with Junior Achievement and preparing disaster cleanup kits with the American Red Cross.

**St. Louis:** Under the banner of “200 Acts of Kindness,” more than 600 employees and their family members came together in service to various causes including literacy, food distribution and revitalizing community spaces.

2) **Canada:** From British Columbia to Montreal, more than 600 Citi volunteers worked to provide food to the hungry, shelter to the homeless and green public parks.

## LATIN AMERICA

3) **Argentina:** Some 2,000 volunteers worked with local schools, hospices and homes in 18 cities across the country and held a Sustainability Fair to benefit local nonprofit partners.

4) **Guatemala:** More than 4,400 volunteers worked on neighborhood revitalization projects, including repairing playgrounds, schools and sidewalks; painting murals; planting trees and installing streetlamps built with recycled materials.

5) **Mexico:** More than 4,600 volunteers across 62 cities, including Mexico City, planted nearly 25,000 trees and improved green areas in the local communities.

6) **Panama:** 700 Citi volunteers remodeled classrooms in the capital and cleaned up beaches to celebrate World Oceans Day.

## EUROPE, MIDDLE EAST &amp; AFRICA

7) **Kenya:** Over 100 volunteers in Nairobi partnered with Habitat for Humanity's Maai Mahiu Internally Displaced Persons project at Naivasha, which seeks to provide decent, durable and permanent houses.

8) **Nigeria:** About 550 volunteers in Lagos worked at the National Museum to restore storage rooms for Nigeria's historical artifacts.

9) **Pakistan:** More than 950 volunteers took part in the Citi 200 Community Carnival benefiting patients of a local cancer hospital.

10) **Spain:** Close to 300 people ranging from four to 99 years old participated in a fundraising event called the Citi Mini Olympics.

## ASIA PACIFIC

11) **China:** Approximately 4,900 volunteers participated in a walkathon to raise funds to improve the nutrition of more than 3,400 children from some of China's most impoverished communities.

12) **Hong Kong:** Over 4,200 volunteers partnered with 13 NGOs to host a wide range of community service and fundraising activities for the elderly; underprivileged children and families and other underserved groups.

13) **South Korea:** Under the theme of “Green Citi, Clean City,” approximately 4,300 volunteers were involved with 50 environmental protection activities in botanical gardens and eco parks.

14) **Thailand:** More than 3,000 volunteers supported those affected by the 2011 floods by fundraising to help five damaged schools and 200 underprivileged students.

## Supplier Diversity

Citi launched our U.S. Supplier Diversity program over 35 years ago on the principle that it is important to work with a wide range of diverse suppliers and consultants in the communities we serve. Since then, we have engaged with diverse businesses in accounting, equity markets and the legal and technology sectors. Citi tracks and reports both Tier 1 and Tier II spend. The Tier II program is designed to encourage Prime suppliers to subcontract business to diverse and small businesses as well as to develop supplier diversity programs of their own. Citi spent \$626 million with direct and indirect diverse suppliers in 2012, compared with \$426 million in 2011—a 47 percent increase.

This table shows Citi's five-year total U.S. procurement spend on diverse suppliers.

	2008	2009	2010	2011	2012
Diverse spend \$ (MM)	973	928	542	426	626

In 2012, Citi Supplier Diversity continued its efforts to more effectively leverage diverse suppliers by increasing our internal focus and requiring sourcing managers to identify areas of opportunity. Citi Procurement Services senior leadership implemented a number of specific actions, including an immediate goal to increase diverse spend by 25 percent on a year-over-year basis. A Steering Committee was also established to oversee and monitor the Supplier Diversity program and to ensure appropriate focus on the utilization of diverse and small businesses.

Additional actions taken in 2012 included:

- » Identified a Supplier Diversity Senior Sponsor to promote supplier diversity throughout Citi
- » Implemented more effective contractual Tier 2 Supplier Diversity language in our standard contracts to increase diverse supplier spend
- » Identified selected additional categories (including Real Estate/Facilities and Office Supplies) for near-term diversity supplier spend opportunities
- » Continued to leverage the industry-wide Supplier Connection program across all categories of spend
- » Shared the real-world expertise of our supply chain professionals through coaching and mentoring programs with partners such as the Corporate Alliance Program, Supplier Connection and the Women Presidents' Education Organization, National Minority Supplier Development Council, Women Presidents Organization, and New York & New Jersey Minority Supplier Development Council

Citi Supplier Diversity also continued ongoing outreach efforts including:

- » Collaboration with Citi Community Development and outreach to key third-party certification organizations to solicit additional support for the Partnership for Small Business Development, an initiative launched by Citi Community Development and the Foundation for Small Business Development
- » Hosting its fifth annual "Doing Business with Citi" forum, which presented Citi as the premier financial services organization to minority-, women- and veteran-owned businesses
- » Participation in an annual meeting with the Greenlining Institute, a public policy, research and advocacy nonprofit organization that works to empower communities of color and other disadvantaged groups



# SUPPORTING CONSUMERS

## 2012 PROGRESS

In the U.S., Citibank launched Plain Talk About Your Products, a user-friendly guide for current and prospective checking customers.

Citi was the top credit card issuer in the world for the third year in a row.

Citi reorganized in 2012, creating the Global Consumer Banking unit with the goal of leveraging its global scale for local advantage to better serve our customers.

CitiMortgage's Road to Recovery tour spanned 35 U.S. markets, offering clients one-on-one consultants with mortgage assistance experts.



When our customers succeed, we succeed and the broader economy thrives. That's why we are always looking for ways to support our customers and to respond to their changing financial needs and goals over time.

## Regulatory Responsibilities

Doing our best for consumers begins with meeting our regulatory obligations. We devote considerable resources to meeting and exceeding our regulatory responsibilities. In the U.S., Citi interacts with the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Consumer Financial Protection Bureau. Citi has received the highest possible Community Reinvestment Act rating for each of our three registered banks in the U.S. Our fair lending policy and standards comply with both the letter and the spirit of fair lending laws.

## Supporting Credit Card Holders

Credit cards are a valuable financial tool for consumers and businesses, offering a wide range of daily financial transactions. In 2012, Citi was the top credit card issuer in the world for the third year in a row, with 134 million accounts across 38 countries, \$363 billion in annual purchase sales and \$150 billion in receivables.

In an effort to way to enhance the banking experience for small businesses, in 2012 Citibank launched the Citi ThankYou® Rewards for Small Business. Allowing small business owners to combine ThankYou Points earned from their personal and business accounts enables them to accrue points faster and redeem them for rewards such as gift cards, travel and electronics.

We have a range of programs in place to help card holders who may be faced with financial difficulties. These programs can be either long-term or short-term, depending on individual circumstances, with options that may include modifying the original loan terms, reducing interest rates or extending the loan term. At the end of 2012, Citi was helping more than 900,000 credit card holders manage their card debt through a variety of such programs.

We help consumers avoid delinquency and provide support, such as financial calculators and advice on money management, at: [www.usecreditwisely.com](http://www.usecreditwisely.com).

### THOUGHT LEADERSHIP

#### The Value of Building Consumer Credit

Borrowing money under reasonable terms can enable consumers to ride out short-term financial shocks and achieve long-term financial security and freedom. And, with 31.9 percent of Americans having credit scores in the lower ranges, credit building and rebuilding are of vital importance. Over their lifetimes, consumers with low credit scores may pay \$250,000 more in interest than those with good credit ratings.

With support from Citi Community Development, the Center for Financial Services Innovation produced a timely paper, "Building Consumer Credit: A Winning Strategy for Financial Institutions and Consumers." The paper provides a framework for banks and credit unions interested in supporting credit building and rebuilding. Citi is already adopting some of the recommendations by pioneering the public-private partnership model, and by embedding financial coaching and capability into financial products and services designed to support sustainable credit building.

Citi Simplicity™ makes credit cards even easier with simple yet powerful features such as no annual fee, no late fees and no wait time for live assistance. It won *Kiplinger's Personal Finance* magazine's award for Best Credit Cards for Holiday Spending in 2012.

# AWARDS

## CASE STUDIES

## Supporting Veterans as Customers and Employees

In 2012 Citi launched Citi Salutes™, formalizing our longtime support for the greater military community. Citi Salutes connects veterans, as consumers, homeowners and job-seekers, with the resources and services they need.

CitiSalutes.com is a resource center for veterans and their families looking to understand their rights and protections under the Servicemembers Civil Relief Act and access banking products and services designed to meet their unique needs. We are also helping our men and women in uniform resolve financial difficulties and build economic security. In 2012, Citi Community Development helped launch CredAbility ReConnect, which offers free, customized online financial education and over-the-phone financial counseling to active-duty, retired and separated servicemembers and their families.

Citi also has a strong record of hiring veterans in key positions throughout the company. We employ over 2,000 military-experienced colleagues, including 800 veterans hired in 2012 alone—a 24 percent increase over 2011. Citi Salutes offers veterans and active-duty military personnel a number of career development tools. Our hiring is complemented by our leadership in broader employment initiatives like Veterans on Wall Street and Joining Forces.

We are proud that our efforts are being recognized. Citi was named among the top 10 “Best for Vets” Employers for 2012 by Military Times EDGE, and we received the 2012 Secretary of Defense Employer Support for the Guard & Reserve Freedom Award, the nation’s highest honor for military-friendly employers.

## Using Advanced Technology to Improve Customer Service

In 2012, we entered into an agreement with IBM to explore possible uses for IBM Watson to improve customer service. Under the agreement, Citi will examine the use of IBM Watson’s deep content analysis and evidence-based learning capabilities to help advance customer interactions and improve and simplify the banking experience. We are evaluating ways that IBM Watson technologies can help analyze customer needs and process vast amounts of up-to-the-minute financial, economic, product and client data.

“At Citi, we are constantly developing new, innovative ways to better serve our customers’ financial needs,” said Don Callahan, Citi’s Head of Operations and Technology. “We are working to rethink and redesign the various ways in which our customers and clients interact with money. We will collaborate with IBM to explore how we can use the Watson technology to provide our customers with new, secure services designed around their increasingly digital and mobile lives.”

## Measuring Consumer Satisfaction

Our business depends on the long-term support of our customers worldwide, and their opinions help inform product and service development. Citi uses Net Promoter Scores (NPS) as our global metric to measure customer satisfaction and advocacy—defined as willingness to recommend us to others.

In 2011, we stated that Citibank North America would strengthen its focus and investment to grow NPS scores among U.S. customers—an initiative we pursued in innovative ways over the past year. For example, we are using social media networking sites such as Twitter and Facebook to respond to and engage with customers. Some 30 Citibank customer service representatives have received special training in social media and respond to tweets sent to the Twitter tag @askCiti. While social media represent less than 1 percent of customer service inquiries, these customers tend to share their experiences—positive and negative—with others in their social network. According to an independent survey conducted by Javelin Strategy & Research, Citi resolved more customer queries on Twitter than other major banks. Partly as a result of our focus on social media, our U.S. NPS improved and we achieved our highest scores to date.

In 2012, Citi China launched NPS to measure loyalty for transactional banking and wealth management. Citi ranked first among peer companies in both segments. Sixty-five percent of Citibank customers and 58 percent of Citigold customers provided positive feedback and were willing to recommend Citi to friends and relatives.

## Customer Privacy

Maintaining our customers' trust and confidence by protecting their personal information is a critical priority for Citi. We protect this information through physical, electronic and procedural safeguards that meet or exceed applicable law. We also train our employees in the proper handling of personal information. In addition, when other companies provide services for us, we require them to protect the confidentiality of personal information they receive.

Information about privacy for consumers at Citi and our Online Privacy Statement are [available online](#).

## Responsible Marketing Communications

Product and advertising lawyers or compliance officers review advertising and marketing materials for Citi's consumer products. They ensure that these materials clearly and fairly represent the offer, satisfy any product-specific disclosure and contractual requirements and comply with all legal requirements. Beyond meeting these requirements, we seek to communicate with customers in a straightforward manner, using a tone and vocabulary that is jargon-free and transparent. Our principal regulators on these matters are the Consumer Financial Protection Bureau and the Office of the Comptroller of the Currency in the U.S. and local regulators worldwide.

In 2012, we introduced *Plain Talk about Your Products* in the U.S., an easy-to-read guide to account features and checking-account fee disclosures. Current and prospective Citibank customers can receive the two-page document when opening an account or by request. It is also available in Citibank branches and [online](#). The simplified presentation was developed with feedback from the Pew Charitable Trusts.

## Supporting Homeownership

Homeownership has the potential to enable families to build wealth and assets over the long term, and to support the development of stable, prosperous communities. One of the only global housing lenders, CitiMortgage operates in 29 countries, has 2 million customers, and is committed to helping clients in all stages of homeownership. In the U.S., CitiMortgage's free SureStart preapproves potential homeowners, allowing them to establish a price range before shopping for a home. Citi's U.S. mortgage originations of \$58 billion in 2012 continued to serve the various needs of homeowners.

The recent economic and housing downturn has affected millions of Americans, putting homeownership beyond the means of many and creating financial hardship for some existing homeowners. We offer several programs to support our customers in their goals of achieving or preserving homeownership.

## Preserving Homeownership

Citi is committed to keeping individuals and families in their homes. The Citi Office of Homeownership Preservation (OHP) was founded to help families in danger of losing their homes find alternatives to foreclosure. This joint venture between the Citi servicing business and Citi Community Development is designed to deepen our understanding of community needs and ensure responsiveness to Citi clients.

To multiply our impact, the OHP partners with community and nonprofit organizations to help Citi borrowers in distress find long-term housing solutions. In addition to a number of proprietary assistance programs, Citi participates in a variety of government-sponsored programs to help homeowners. These include the Home Affordable Modification Program, the Home Affordable Refinance Program, the Home Affordable Foreclosure Alternatives and the Hardest Hit Fund programs.

Citi's Road to Recovery homeowner assistance program spanned 35 U.S. markets in 2012 and helped more than 3,500 U.S. families identify potential solutions to their difficulty in making mortgage payments through one-on-one consultations with mortgage assistance experts.

## Affordable Mortgages

Knowing how much homeownership means to our customers, we offer and maintain affordable, flexible and sustainable mortgages. We also assist borrowers at risk of default by providing outreach and advisory services. Wherever possible, we provide mortgage modifications or other arrangements to struggling homeowners, and our expert staff coach both borrowers and nonprofit counseling organizations. For the fourth consecutive year in 2012, our Home Affordable Modification Program was a top performer as measured by success rates in public Treasury reports.

## CASE STUDY: SUPPORTING HOME OWNERSHIP

### An Innovative Mortgage Product Offering

Through its Neighborhood Stabilization Program (NSP), the U.S. Department of Housing and Urban Development (HUD) has deployed \$7 billion to states, counties, cities and nonprofits to acquire and fully renovate abandoned, foreclosed and vacant properties in target markets. Most of these properties will be resold as fully renovated, high-quality homes. But a lack of viable, conventional mortgages for buyers of NSP-rehabbed homes threatened the success of the program.

In February 2012, Citi responded by introducing a mortgage product that helps NSP grantees offer their buyers a financing option other than FHA—the Citi HomeRun Mortgage. We are one of only a few financial institutions to offer an end mortgage product for single-family buyers of NSP properties.

HomeRun enables NSP buyers to obtain conventional financing with as little as 3 percent down and no private mortgage insurance. Eligibility requirements must be met and counseling from an HUD-approved housing counseling agency is required. HomeRun was introduced to help nonprofits market and sell NSP-acquired and fully rehabilitated properties to promote neighborhood revitalization and stability. The mortgage is available through Citi partners with HUD-approved counseling programs who are either part of an NSP coalition or NSP grantees.



# ENVIRONMENTAL SUSTAINABILITY

## 2012 PROGRESS

Citi was ranked the number one U.S. bank in the *Newsweek* Green Rankings and the World's Greenest Bank by *Bloomberg Markets* magazine.

We directed \$8.02 billion toward the \$50 Billion Climate Initiative in 2012, bringing the total to \$44.37 billion since 2007.

We completed our two-year term as Chair of the Equator Principles Association and were re-elected as a member of the Steering Committee.

Citi celebrated its 200th LEED project during its 200th anniversary—the first bank in the world to have 200 LEED-certified projects.



Our environmental sustainability strategy is based on three pillars: managing the environmental footprint of our own operations, such as energy use in our offices; proactively assessing and managing environmental and social risk in projects we finance; and investing in solutions to climate change and other environmental challenges.

## Management

Citi's Environmental and Social Policy Review Committee, made up of senior managers from across Citi business units, provides guidance on environmental sustainability issues, including Environmental and Social Risk Management. The Director of Corporate Citizenship and the Institutional Clients Group Managing Director of Business Development co-chair the committee.

Responsibility for managing the environmental footprint of our operations rests with our Global Operations Group Manager and Global Head of Sustainability in the Corporate Realty Services unit.

## 2015 Operational Environmental Goals and Performance

Goals	Performance
25 percent reduction in absolute GHG emissions from 2005 base year (building on current 2011 goal of 10 percent)	21.7%
40 percent reduction in waste stream to landfill from a 2005 base year	38.4%
20 percent reduction in water usage from a 2005 base year	7.9%
15 percent of global real estate portfolio will be LEED™ certified	8.0%
20 percent improvement in portfolio energy efficiency from 2005 base year as measured in ENERGY STAR™'s Portfolio Manager	8.8%

## Operations

Managing our direct environmental impacts is the foundation of our environmental program. It is a vital part of building credibility with our employees and clients. We measure our operational environmental footprint—energy use, fuel consumption, water use and waste (generated and diverted from landfill)—and analyze the data to optimize performance. Our reporting includes more than 12,000 facilities globally, from skyscrapers to data centers and ATMs.

We continue to make progress toward our 2015 goals (with a baseline of 2005).

## Greenhouse Gas Emissions

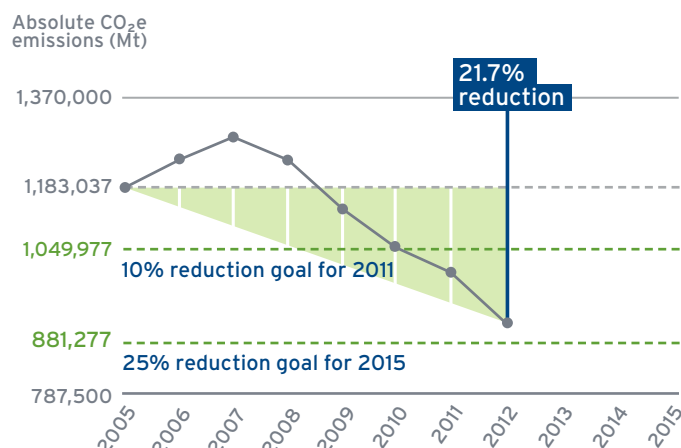
Our operational focus is to reduce our greenhouse gas (GHG) emissions through efficiencies. We take a three-pronged approach: investing in more efficient equipment such as LED lighting; improving the performance of existing equipment through “continuous commissioning”; and initiatives to reduce emissions, such as on-site generation of electricity from natural gas.

Our goal is to achieve a 25 percent reduction in absolute GHG emissions from a 2005 base year by 2015. Citi has reduced its carbon emissions by 258,182 metric tonnes from baseline year 2005, which represents a 21.7 percent absolute reduction. This measure includes green power sourced for Leadership in Energy and Environmental Design (LEED) buildings and is equivalent to conserving 26.2 million gallons of gasoline, which would power more than 48,000 cars for a year.

We follow the Greenhouse Gas Protocol when measuring our GHG emissions. Almost all of Citi's GHG emissions are indirect (Scope 2), emitted during the generation of the electricity we purchase. See [page 9](#) for our full 2012 performance.

## GHG Emissions Reduction

### Greenhouse Gas Footprint Goals and Actuals (Net)



## Renewable Energy

We buy energy from renewable sources to support our LEED Green Building Program and because we believe it is important to use cleaner forms of energy. We were ranked 18th in the Green Power Partnership list of Fortune 500 companies published by the Environmental Protection Agency (EPA) for 2012—up from our ranking of 27th in 2011.

## Energy Efficiency

We are working toward a goal of improving portfolio energy efficiency by 20 percent from a base year of 2005 by 2015. In 2012, we improved energy efficiency by 8.81 percent on 2005 levels. Over the past five years, there were 251 certifications of Citi-managed buildings in the U.S. earning the Energy Star label, the energy efficiency symbol awarded by the EPA, or the regional equivalent thereof for properties outside the U.S.

## LEED

We design our new locations to minimize the impact on the environment, with a goal of having 15 percent of our global real estate portfolio LEED certified by 2015. At the end of 2012, 8 percent of our total square footage was LEED certified.

We have embedded the principles of the U.S. Green Building Council's design standard, LEED, into our design and refurbishment process and have 217 LEED-certified projects (6.1 million square feet) across 19 countries. We are one of the first companies to take part in the LEED Volume Build Portfolio Program, which strives for uniformity in the design, construction and management of buildings to achieve economies of scale and reduce costs.

## Scope 3 Emissions

Citi reports annually on its Scope 3 GHG emissions from our employee air travel and CO<sub>2</sub> emissions from thermal power plants (new builds and expansions) we finance. See [page 9](#) for our Scope 3 reporting.

## Water

We have made substantial progress toward our goal of achieving a 20 percent reduction in water usage from a 2005 base year by 2015. By installing water-efficient appliances and fixtures when we refurbish washrooms, kitchens and gyms in our facilities, and through innovations such as rainwater harvesting, we have already cut water use by 7.95 percent, or 581,325 cubic meters.

## Waste

We are pursuing a number of initiatives to reach our goal of reducing waste to landfill by 40 percent (from a base year of 2005). For example, in 2012 Citi Egypt implemented a recycling program whereby a local charity organization helps recycle 400 kilograms of paper each month that was previously sent to landfill, and Citi's Mexico subsidiary Banamex instituted a program to recycle aluminum, batteries, cardboard, glass, paper and PET plastic across 13 locations.

## E-statements

We continue to emphasize the availability of eDelivery. At the end of 2012, more than 34 percent of Global Cards customers received E-statements. The penetration of E-statements has steadily improved since they were introduced in 2008.

## Data Centers

Around the world, Citi's data centers support the delivery of our products and services to our customers. These large facilities house thousands of servers, as well as data storage and networking equipment. They account for nearly 20 percent of Citi's total energy use globally. Our focus is to optimize IT equipment utilization, virtualize and consolidate hardware, and reduce the amount of energy required to support and cool this equipment. To this end, since 2008, Citi has eliminated 50 data center facilities by increasing the number of virtualized servers to 40,000, increasing our global server utilization to 45 percent, and increasing global storage utilization to 60 percent.

### Sustainable Technology

Citi is on track to move two-thirds of employees' computers to Virtual Desktop solutions by mid-2014 through our Desktop Standardization Initiative (DSI). The DSI combines machines that are less energy intensive with a cloud computing environment to enable us to consume less energy and contribute further to our overall environmental sustainability objectives.

Additionally, Citi's Work Strategies program is reducing environmental impacts by helping employees work flexibly, including from home and at client sites. This often cuts down on commuting by car, reducing harmful tailpipe emissions and fuel consumption and cutting energy use in our offices.

### Sustainability in Our Supply Chain

Citi's Supply Chain Sustainability program is driven by our mission to create mutually beneficial supplier relationships that deliver cost-competitive, superior products and services while achieving our environmental, social and governance goals and objectives. Our sustainable supply chain initiative is anchored by the guidelines we have set out in our [Statement of Supplier Principles](#).

Citi's Corporate Responsibility Questionnaire (CRQ) assists procurement in determining how well potential and current suppliers are managing governance, environmental sustainability and supplier diversity initiatives within their business.

During 2012, we rolled out the CRQ to suppliers in North America and Brazil, and we expect to implement it in Australia, Colombia and South Africa in 2013.

In 2012, of the 440 Citi suppliers who completed a CRQ, 77 percent reported that they have an environmental policy.

### Sustainable Purchasing

In 2012, we launched our Environmentally Preferable Purchasing (EPP) initiative focusing on procurement of office products and services, print production and facilities. The EPP guidelines focus on sustainability and provide flexibility for regional considerations and pricing.

During 2012, we enhanced the Citi Procurement Services master contract template that makes EPP best practices a consideration in all contracts. In addition, the supply chain sustainability team seeks opportunities to partner with and develop innovative strategies for environmentally preferable purchasing with sourcing, business partners and suppliers.

### REGIONAL HIGHLIGHTS

#### Observing Earth Week in South America

Citi offices throughout South America observed Earth Week by instituting a variety of green initiatives. For example:

- » Citi Brazil introduced a paper reduction program focused on reducing printing volumes.
- » Citi Colombia launched recycling stations and an environmental awareness effort.
- » Citi Argentina distributed a guide of benefits with Citi worldwide initiatives related to green awareness via Twitter.

Other South American Citi offices participating in Earth Week 2012 included Peru and Paraguay.

#### Operating Efficiently in Italy

Palazzo Biandra, the new Citi Italy headquarters, is the first building in Italy to obtain the Gold LEED™ Commercial Interiors certification. The building's efficiency is a result of:

- » Energy bought from renewable sources such as Renewable Energy Certificates
- » Water use reduced by 59 percent and electricity reduced by 32 percent
- » 99.8 percent of waste recycled

## Engaging Employees

We believe that it is important to integrate sustainability into not only the operations of our facilities but also the ways that we as employees operate. One way we promote this is through the creation and participation of Green Teams. Citi has more than 30 sites with groups of employees who work to improve the sustainability of their businesses, sites and communities through targeted campaigns, speaker series and volunteer efforts. With a growing number of teams in regions such as Latin America, Green Teams provide a way for Citi employees to address sustainability issues in our local markets.

In 2012, we supported the growth of the Citi Green Team network by developing a toolkit and mentoring process to help teams drive environmental sustainability initiatives in their offices. We also organized global Green Team training calls and built a website that allows teams to communicate and share best practices directly with one another. Several teams have been recognized for their efforts in their local communities, including St. Louis, Missouri, and Matheson, Ontario. At the end of 2012 five teams were formalized as official Green Teams.

### CASE STUDY: ENGAGING EMPLOYEES

#### Helping Sea Turtles in Mexico

Over the past seven years, almost 500 employees at Banamex, our Mexican subsidiary, have dedicated more than 27,000 hours to help care for 15,000 sea turtles and release 35,000 baby sea turtles into the sea. Employee volunteers work to improve the observation station of the National Commission for Protected Natural Areas, the government entity in charge of protecting sea turtles. They paint buildings, fix windows, make new artificial nests and level the sand to encourage turtles to lay eggs.

Volunteers patrol more than 15 miles of beaches at night, watching for the turtles emerging to lay eggs and then placing the eggs in artificial nests protected from predators.

Over the course of the year, Citi employees were involved in a number of sustainability activities:

- » Citi participated in the World Wildlife Fund's Earth Hour celebration by turning off the lights at more than 1,800 global facilities—more than double the number of 2011 participating sites.
- » During April, Citi observed Earth Week around the world with more than 100 local events hosted by Citi employees.
- » More than 6,000 Citi volunteers participated in environmentally focused community projects, from clean up activities in Beijing's Olympic Park to mangrove tree planting in Vietnam.

Every year, we poll our employees to gauge interest and perceptions on sustainability issues. In 2012 we received more than 5,900 responses—3,100 fewer than in 2011. The drop was partially due to competing communications on other employee engagement initiatives. In 2013, we plan to revamp the survey and process, including launching the survey at a quieter time of year. More than 96 percent of employees responding said that environmental issues are important to them personally, and 93 percent indicated that Citi has a responsibility to protect the environment by:

- » Reducing our internal paper waste
- » Increasing recycling
- » Reducing the carbon footprint of our facilities

Respondents also expressed a strong interest in getting involved locally, through local Green Teams or environmental education events.

## Environmental and Social Risk Management

We use our Environmental and Social Risk Management (ESRM) Policy to manage risks in the projects we finance, help our bankers advise clients and promote environmentally and socially sound ways of doing business. Further information is available online at the [Citi Environmental Sustainability website](#).

The ESRM Policy was established in 2004 in the Institutional Clients Group (ICG), which covers corporate and investment banking. Consistent with Citi's core principle of responsible finance and our long-standing commitment to environmental and social responsibility, in 2012, the Citi Policy Committee approved a Citi-wide ESRM Policy, broadening the existing ICG ESRM framework to cover all Citi business units. Across the firm, for transactions with an inherent environmental or social risk, the ESRM unit works with the relevant banker to conduct an internal review of the transaction to assess the level of risk and define appropriate mitigation measures. This review should include an assessment of the client's commitment, capacity and track record on environmental and social issues.

### ICG ESRM Standard and Management Approach to Screening Transactions

The ICG ESRM Standard covers a broad range of financial products in various sectors where the use of proceeds is known and tied to a specific physical project or asset, and which meet certain financial thresholds. These are: \$5 million for equity investments; \$10 million for project finance transactions; and \$50 million for corporate loans, acquisition finance, and debt and equity placements or underwritings.

For transactions in emerging markets, we require adherence to:

- » [The International Finance Corporation \(IFC\) Performance Standards](#), which cover a range of cross-sector issues such as biodiversity, resettlement, indigenous peoples, community health and labor conditions
- » [IFC Environmental, Health and Safety \(EHS\) Guidelines](#), which provide pollution prevention, safety and best-practice guidance to 63 industry sectors

## CASE STUDY

### Fulfilling Our Commitments as an RSPO Member

Citi continues to be a member of the Roundtable on Sustainable Palm Oil (RSPO), a not-for-profit association of stakeholders throughout the palm oil supply chain. Financial institutions on the RSPO must require clients, over time, to become certified by the RSPO or by an equivalent credible third-party body.

In 2012, we declined financial services to one company because it was unwilling to pursue RSPO certification for its plantations or work toward RSPO standards. We required another palm oil company to hire a consultant to determine if any of its current or planned plantations were adjacent to critical natural habitat. After initial skepticism by the company, the consultant convinced it of the value of RSPO certification when accessing international capital markets. This company committed to pursue RSPO certification and thus was accepted as a Citi client.

*"Our Environmental and Social Risk Management team has been invited by some of our leading mining and energy clients to help them establish best practice environmental policies. Such collaboration enables us to better serve our clients' needs and support them in their engagements with various stakeholders. This desire to leverage our knowledge in the field is happening in mature and emerging markets, with new and long-standing Citi clients. It tells me that we are on the right track: We are being recognized as one of the leading practitioners and thinkers in environmental sustainability."*

—Richard Evans, Chief Risk Officer, Institutional Clients Group

## CASE STUDY

## Supporting Environmentally and Socially Sustainable Urban Solutions in Panama

Citi supported the construction of a portion of Panama's new metro system by arranging more than \$600 million in debt guaranteed by various Export Credit Agencies and the Multilateral Investment Guarantee Agency (MIGA), the political risk insurance arm of the World Bank Group. In 2012, Citi worked in close concert with the Panama Metro Secretariat to evaluate and develop a set of social programs to help those businesses affected by the construction of the project. Assistance took the form of relocation options and services, microcredit, small-business training and other forms of assistance to business owners and their employees.

The new metro system will reduce travel times, vehicle operating costs and greenhouse gas emissions, while helping people living in suburban regions access jobs and educational services in the city.

*"Our Metro will be very helpful in solving traffic problems in its route, and our team is elated to have MIGA's and Citi's crucial participation in the financing."*

**-Roberto Roy, Executive Secretary,  
Panama Metro Secretariat**

The ESRM Standard also includes a number of specific sector standards that address issues not fully covered by the IFC guidelines, including the:

- » Sustainable Forestry Sector Standard
- » Nuclear-Related Transactions Sector Standard
- » Mountaintop Removal Mining Environmental Diligence Process
- » Carbon Principles (for U.S. coal-fired power plants)

The ESRM Standard gives guidance on transactions in "Areas of High Caution and Special Focus," which include critical habitats and areas of high conservation value, significant cultural and heritage value, indigenous peoples and large-scale resettlement. It prohibits the financing of transactions involving forced labor, harmful child labor and illegal logging.

The ESRM unit is responsible for review, advice and consultation on new ICG transactions, as well as internal training, communications, policy implementation, tracking and reporting. Supporting the unit are "ESRM Champions"—credit risk officers with additional ESRM review and advice responsibilities—located in each region.

## ESRM Review Process

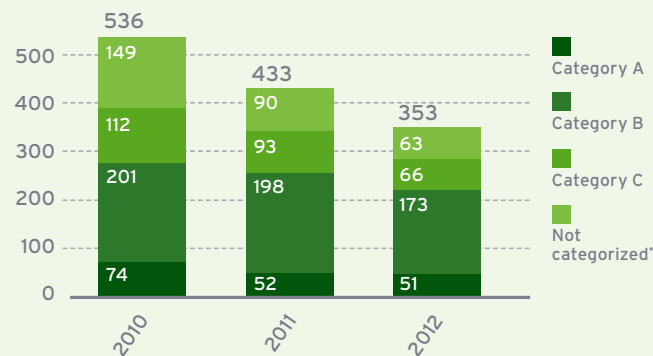
We have developed a thorough process for ensuring compliance with our ESRM Standard. First, at the initial greenlight (marketing) stage, Citi bankers and risk managers around the world identify transactions subject to the ESRM Standard, via appropriate trigger points found in Citi's credit risk policies and procedures. Once a transaction is identified, the ESRM unit reviews it and determines which risk category it falls into, using the following criteria (as defined by the IFC):

- » A—expected to have significant adverse social and/or environmental impacts that are diverse, irreversible or unprecedented
- » B—expected to have limited adverse environmental and/or social impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures
- » C—expected to have minimal or no adverse impacts

The ESRM unit then lays out requirements to meet international good practice and thereby comply with Citi's ESRM Standard. If a deal goes ahead, the team works with the bankers to help the client properly identify risks, mitigate and manage impacts and meet all ESRM requirements. If needed and relevant, the ESRM unit and client agree on an action plan—a formalized to-do list of environmental and social actions with firm deadlines and persons responsible. This action plan becomes a binding covenant of the loan agreement and compliance with it is monitored, either externally by an independent consultant or internally by the client's environmental team members.

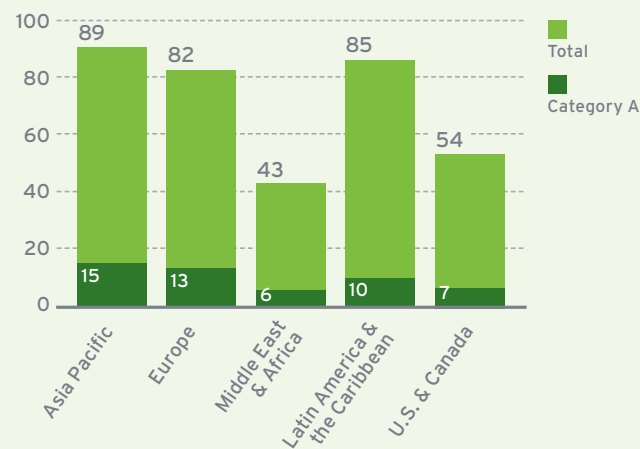
In addition, within Citi, portfolio managers conduct annual credit reviews of all transactions, ensuring client compliance with covenants, including those on environmental and social matters. Citi's Internal Audit team selectively audits transactions across Citi to ensure due diligence and compliance with all Citi policies, including the ESRM Standard.

### Transactions Receiving ESRM Review Since 2010

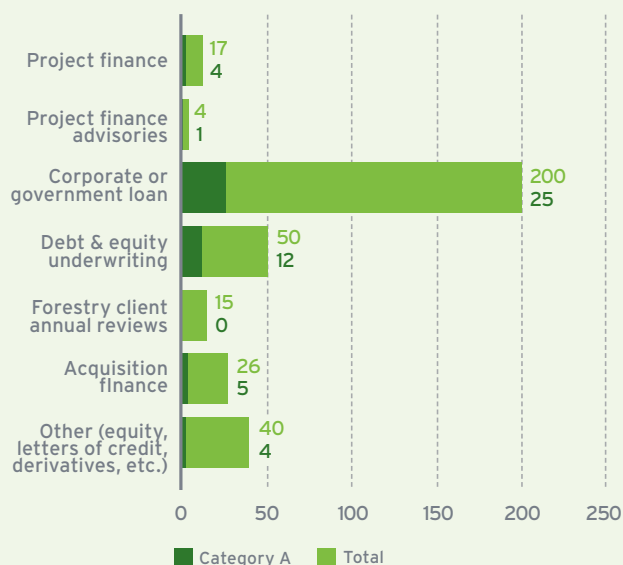


\*Forestry client annual reviews, transactions below ESRM Standard financial thresholds and general corporate purposes transactions are not categorized.

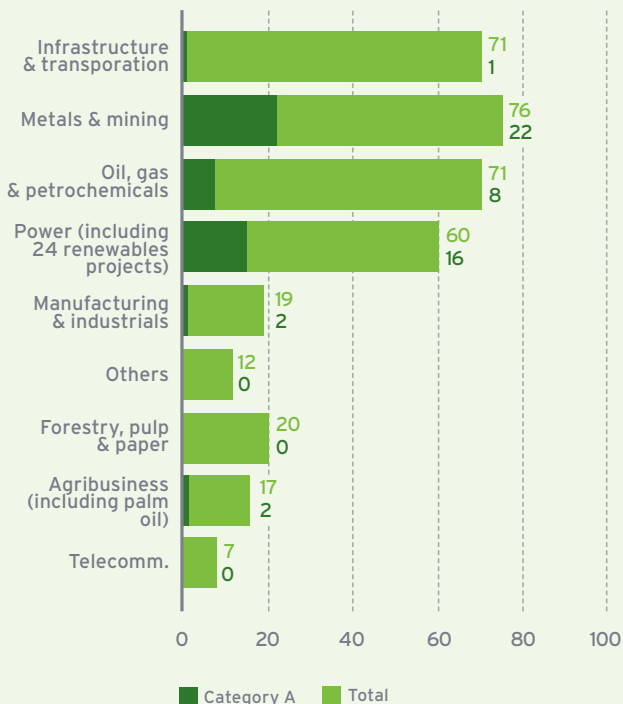
### 2012 Transactions Receiving ESRM Review By Region



### 2012 Transactions Receiving ESRM Review By Product Type



### 2012 Transactions Receiving ESRM Review By Sector



## Equator Principles Reporting

Consistent with our commitments under Principle 10 of the Equator Principles, Citi reports annually on our implementation of the principles. For the first time, Citi has received limited assurance from an external party on the number of EP transactions receiving review by ESRM in 2012 and the number of transactions that were funded (project finance loans) or mandated (advisories) as presented on this page.

## The Equator Principles—Sharing Good Practice beyond Citi

Citi was a cofounder of the Equator Principles (EP), the leading framework for managing environmental and social risks in project finance. From 10 initial members at the 2003 launch, the EP Association membership has grown to more than 75 financial institutions around the world.

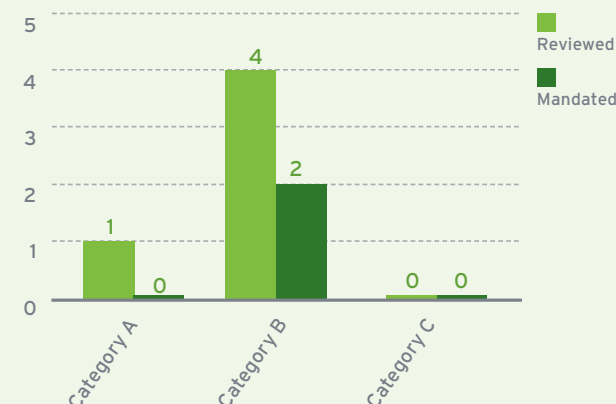
In May 2012, Citi completed our two-year term as Chair of the EP Association Steering Committee. During the first half of the year, we led the EP Association through the drafting of the EP III update by bringing together various language changes proposed by thematic working groups covering topics such as climate change, social risks, reporting, transparency and scope. We participated in stakeholder engagement sessions with clients, NGOs and consultants to gather external comments on the draft. We also worked to build consensus support of the proposed draft among the EP Association members.

Citi led the Scope working group that expanded the EP to financial products beyond project finance. Stakeholders were broadly supportive of this proposal, which would apply the EP to a subset of bridge loans and project-related corporate loans. After the completion of the public comment period in the fall of 2012, we were a key member of the EP drafting committee, reviewing stakeholder comments and deciding with the association which changes should be incorporated. EP III is expected to be published in the first half of 2013.

## ESRM Training

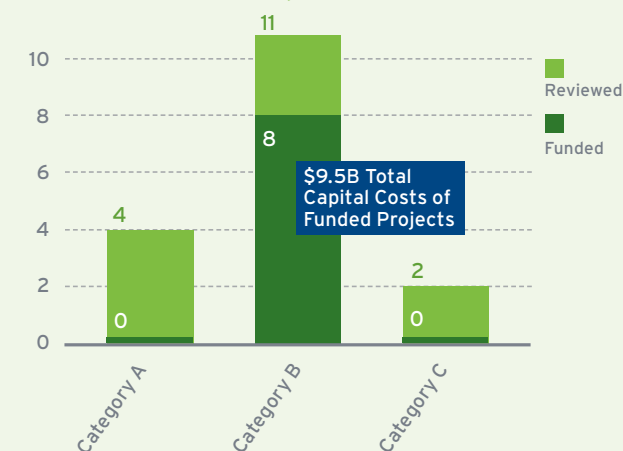
ESRM training is an important part of preparing our bankers and risk managers around the world to take the first steps in implementing our policy. We use online and in-person training to familiarize employees with the ESRM Standard and procedures. In 2012, we began the process of integrating ESRM Training into

## 2012 EP-Covered Project Finance Advisories



\*All metrics in this table are included in the independent accountant's report, a limited assurance report issued by KPMG, an independent third party.

## 2012 EP-Covered Project Finance Loans



\*All project finance loans are reviewed in the marketing phase and may not reach the funding stage for a number of reasons not directly tied to environmental reviews.

\*\*All metrics in this table are included in the independent accountant's report, a limited assurance report issued by KPMG, an independent third party.

## 2012 EP-covered Funded Project Finance Loans by Sector

Sector	Category			Total
	A	B	C	
Power (solar)	0	2	0	2
Oil & gas	0	5	0	5
Infrastructure	0	1	0	1
<b>Total</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>8</b>

\*All metrics in this table are included in the independent accountant's report, a limited assurance report issued by KPMG, an independent third party.

Citi's "Essential Risk Skills" course, incorporating environmental and social topics into this broad course that educates Citi employees on the full spectrum of risks in the financial sector. Some 447 Citi employees received ESRM training in 2012, including in-person training sessions in Brazil, Peru and the U.S. More than 4,500 Citi employees have been trained in environmental and social risk issues since the original ESRM Policy was released in 2003.

### Due Diligence on Mountaintop Removal Mining

Mountaintop removal (MTR) coal mining is a surface mining method used particularly in the Central Appalachian region of the U.S. In 2009, Citi implemented a robust MTR Environmental Due Diligence Process that has been incorporated into our credit risk policies and procedures. The Due Diligence Process is triggered when engaging any client that uses MTR as an extraction method. Read about Citi's MTR Environmental Due Diligence Process [here](#).

### Transactions Subject to the MTR Process, 2012

<b>Total</b>	<b>4</b>
Transactions approved and closed	4
Transactions that did not proceed	0

### Carbon Principles Reporting

Citi was a founding signatory of the Carbon Principles. These principles apply when Citi is leading a committed bank loan, revolving line of credit or bond transaction for a client that is constructing, or planning to construct within six months, a U.S. coal-fired power plant greater than 200 megawatts. When the Carbon Principles were founded in 2008, close to 150 coal-fired power plants were proposed or under construction in the U.S. Today—due to the changing energy

landscape in the U.S. brought on by the low cost of natural gas and the enhanced regulatory environment—that number is fewer than 30. As a result of the significant decrease in proposed coal plants, Citi had zero transactions subject to the Carbon Principles in 2012.

### Human Rights Reporting

Citi's ESRM Policy incorporates many human rights issues, including labor risks, security risks, the rights of indigenous peoples and resettlement, via the IFC Performance Standards and the Equator Principles.

## CASE STUDY

### Protecting Biodiversity and Ecosystem Services in Our Lending Practice

2012 marked our second year of involvement with the innovative Biodiversity for Banks (B4B) program, a cross-sector initiative to share experience and build capacity to manage biodiversity risks and impacts in projects we finance. During the year, we brought the B4B program to São Paulo and Paris and expanded it beyond banks to Citi's clients in the mining and oil and gas sectors. As part of this effort, Citi hosted a workshop in March 2012 for mining and oil and gas clients in London that was attended by 40 people from 19 client institutions.

*"Financial institutions (FIs) often struggle to understand and incorporate biodiversity impacts into their lending and investment decisions, a challenge that creates material risks. Tackling this challenge, World Wildlife Fund is very pleased to have collaborated with Citi and the Business and Biodiversity Offset Program in the development and delivery of this groundbreaking collaborative capacity building program. The Biodiversity for Banks program has trained more than 150 sustainability and credit staff from over 25 FIs globally, and interest in the program continues to grow. The success of B4B is in no small way due to the commitment, experience and vision of the Citi staff who have helped lead this effort."*

**—Mark Eckstein, Managing Director, International Finance, World Wildlife Fund**

The IFC Performance Standards are consistent with relevant International Labour Organization (ILO) Core Labor Standards and Conventions, and since 2011 they have included strengthened human rights language and appropriate triggers to reflect the UN Guiding Principles for Business and Human Rights. Further information on Citi and human rights is in the [Governance, Ethics and Government Relations](#) section of this report.

In 2012, Citi closed nine transactions where we conducted enhanced due diligence under our ESRM standard, consistent with our Human Rights Statement. The ESRM team identified those transactions with human rights risks during the initial due diligence phase and ensured, prior to close, that the risks were properly mitigated and managed by our clients.

### Investing in Environmental Solutions

We look for opportunities to use our products and services to help develop solutions to major environmental problems, including climate change, threats to biodiversity and water scarcity. We do this through our traditional business channels and by setting up units specializing in the business benefits of investing in environmental solutions.

For example, managing and improving our own green buildings not only cuts our costs, but it provides us with experience and market insight that we can leverage with clients. This integration of operations and banking makes us a stronger, differentiated partner.

We finance clean energy and work to understand the business implications of water scarcity and threats to biodiversity. The knowledge we gain can create new revenue streams for us and establishes Citi as a preferred partner for businesses affected by these environmental issues.

### 2012 Closed Transactions Reviewed under Citi's Human Rights Position Statement

Human Rights Risk	Transactions Where Risk Was Identified and Managed
Indigenous peoples	2
Labor risks	4
Resettlement	2
Security risks	2
<b>Total</b>	<b>10</b>

The total in the table above adds up to up more than 9 because one transaction may have more than one human rights risk.

Climate change presents significant challenges to the global economy, security of nations, infrastructure and public health. Our clients face climate-related risks from regulatory, physical and other business impacts. Severe weather brought on by climate change could impact some of our facilities. See our [Annual Report](#) on Form 10-K for a description of climate change risks.

We have potential influence over activities that contribute to climate change through our transactions. This is why we work with clients to reduce their carbon footprint and to finance low-carbon initiatives. At the project level, we help clients assess their vulnerability to climate change so they can take the necessary measures to adapt to change.

For example, we:

- » Conduct research on climate change, clean energy, water and green building and convey the findings to our clients
- » Develop innovative clean energy financing structures to help clients access new sources of capital
- » Provide financing and investments that help our clients develop projects, technologies and services to reduce emissions

We pursue these activities through specialist teams in Citi's business units. For example, we have a global alternative energy finance group and a municipal securities renewable energy team. An energy efficiency working group is developing and implementing ways to unlock, catalyze and scale the market for energy efficiency, including the retrofitting of buildings. Our equity research team conducts research on climate change, energy and water. The Citi commodities unit helps clients access and leverage carbon markets.

During 2012, Citi continued to develop solutions in the area of energy efficiency, including a \$50 million warehouse loan to Green Campus Partners, which provides dedicated capital access to fund energy efficiency and renewable energy projects. Citi became the capital markets partner on one of the first securitizations of energy efficiency loans, the Warehouse for Energy Efficiency Loans (WHEEL), which provides low-cost, large-scale capital for state and local governments and utility-sponsored residential energy efficiency loan programs.

We engage regularly with stakeholder groups around environmental sustainability investments. In 2012 these engagements included:

- » **Energy Efficiency:** C40 Cities, Ceres, Environmental Defense Fund, Living Cities, New York City Energy Efficiency Corporation, U.S. Department of Energy, World Resources Institute
- » **Natural Capital:** United Nations Environment Programme Finance Initiative
- » **Sustainable Supply Chain:** Rainforest Alliance, Root Capital

Environmental investing is a dynamic activity, and in 2012 new regulations created challenges. First, liquidity requirements introduced in the U.S. and internationally discourage traditional forms of energy and climate finance, such as project finance for renewable energy projects. New financial products and approaches—such as green bonds, master limited partnerships and real estate investment trusts—will be required to fill that gap. Additionally, the lack of long-term climate policies and incentives (such as the Production Tax Credit in the U.S.) make it more difficult for renewable energy developers to launch new projects and plan for the future.

## CASE STUDIES

### Financing Wind Farms in Chile

In 2012, Citi closed a €110 million term loan for Enel Green Power (EGP), the renewable energy business component of Italian Enel group, with the support of EKF (the Danish export credit agency), and ELO (EKF's funding arm). The loan will be used to cover part of the investment in EGP's Talinay wind farm in Chile. The company has an installed capacity of 90MW purchased from the Danish wind turbine manufacturer Vestas.

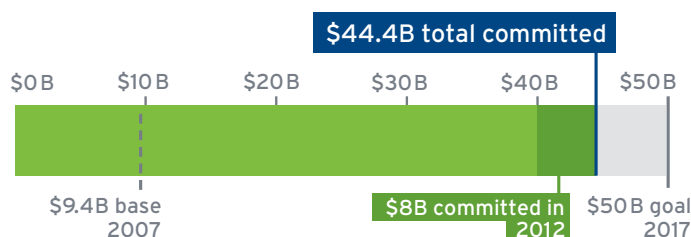
### Bringing Wind Energy to Peru

In 2013 Peru will draw electricity from its first wind farms. The two installations, producing 114MW, were bought in 2012 by ContourGlobal, an independent power group based in New York, in a deal in which Citi acted as exclusive financial advisor to the then-owner, Montealto Corporación XXI, S.L., a Spanish energy and infrastructure company. The transaction was valued at approximately \$250 million.

## \$50 Billion Climate Change Investment Initiative

In 2007, we set a goal to direct \$50 billion over 10 years to activities that mitigate climate change. These actions include internal operational projects as well as financing alternative energy, investing in clean technology and researching carbon reduction strategies on behalf of our clients. By year-end 2012, \$44.37 billion had been applied to such initiatives. See [page 10](#) for an in-depth breakdown.

### Clean Energy Financing and Investment



Our goal, announced in 2007, is to direct \$50 billion over 10 years toward activities that mitigate climate change.

## Carbon Disclosure Project (CDP)

Citi has responded to the CDP since its inception in 2003. In 2012, we scored 80 out of 100 on our disclosure of GHG emissions and we were placed in band B on climate performance. Our response to the CDP is available [here](#).

## Citi Recognized for Environmental Efforts

Citi is honored to receive recognition for our environmental sustainability work. During 2012, Citi was:

- » Named to the Dow Jones Sustainability World Index (DJSI World) for the 12th year in a row (the only U.S.-based bank on both the DJSI World and North America indexes)
- » Included in the FTSE4Good Index for the 11th year in a row
- » Ranked the number one U.S. bank in the *Newsweek* Green Rankings (#17 overall among U.S.-based companies, up from #24 in 2011).
- » Ranked the number one greenest bank in the world by *Bloomberg Markets* (up from number four in 2011)
- » Included in the Maplecroft Climate Innovation Index for the first time
- » Recognized at the 2012 Growing Green Awards Ceremony in St. Louis as an organization that has made great strides in advancing sustainable practices as they relate to the built environment and as an organization likely to be one of tomorrow's green leaders



# OUR EMPLOYEES

## 2012 PROGRESS

Provided training for 98 percent of employees worldwide, with an average of around 40 training hours per individual

Supported 74 employee networks with some 15,000 members across 27 locations

Achieved 88.5 percent participation in 2012 employee survey and a 73 percent satisfaction score



Citi is a truly global community. We employ more than 259,000 people in over 100 countries, all of them vital to our continued progress.

Business success today depends more than ever on employee skills and engagement. We invest in our people, fostering a diverse workplace that reflects our global client base and provides first-class learning and development opportunities.

## Diversity

Diversity is a business imperative for Citi and is vital to our future.

We promote a work environment where diversity is embraced, where people are promoted on their merits and where colleagues treat each other with respect and dignity. We seek to make career development opportunities widely available and encourage employees to fulfill professional and personal goals. Our goal is to be a company where the best people want to work.

Our diversity strategy focuses on four areas: management accountability, attracting talent, workforce development and work environment.

*"From recruitment to professional development and partnerships, Citi is building a diverse workforce that offers opportunities to all. Nowhere is progress more evident than in our vibrant, staff-led Employee Network program. Over 10 years, we've expanded the program's early focus on women and racial and ethnic diversity to include, among others, military veterans, generational diversity and our gay, lesbian, bisexual and transgender employees. It is one of my proudest achievements that we now have more than 70 networks around the world."*

—Ana Duarte McCarthy, Chief Diversity Officer, Citi

Priority objectives are defined annually and implemented through the Citi diversity operating committee, comprised of diversity and human resources professionals, as well as local business and regional diversity councils. The Citi Board of Directors reviews progress. Programs and initiatives are in place across our businesses to support and foster Citi's diversity strategy. These include, among others, leadership development programs, employee networks and diversity-focused recruitment programs.

*"Citi shows a deep commitment to progress through its long-term partnership with Out & Equal. Citi played a key role in Out & Equal's global annual conference and the inaugural LGBT Workplace Summit in London and has been instrumental in helping us advance LGBT workplace equality worldwide."*

—Selisse Berry, Founding Executive Director, Out & Equal Workplace Advocates

One challenge we face in fostering our diversity strategy and values across dozens of global locations is that local customs, values and beliefs, as well as legislation, may differ from commonly accepted global standards for human rights. Nonetheless, we are committed to creating an inclusive workplace where all employees—wherever they work—have an opportunity to attain their professional and personal goals, and we strive to promote this value through our policy and practices.

## Citi Women

More than half of Citi's workforce is female, including 45 percent of our professionals. Supporting women's advancement is vital to our success and very important to us. We offer the following leadership development programs, among others.

**Women Leading Citi:** Launched in November 2009, this sponsorship program is designed to promote and accelerate the advancement of high-performing women in senior management positions. Opportunities to network and broaden leadership skills are two key elements of the program. The women have the support of a four-person team—their manager, a talent professional, an executive coach and a senior advocate sponsor.

**Women's Leadership Development:** Designed and launched in conjunction with the UCLA Anderson School of Management in 2008, this program combines lectures, discussions, small group work and assignments. It helps high-performing director-level women prepare for executive roles, become champions and role models within Citi and build professional networks. Four hundred women have attended through 2012.

**Coaching for Success:** Designed for midlevel emerging female talent, this workshop is offered by several Citi businesses and engages senior management as coaches. Goals include improving retention, promotion and internal mobility of the participants.

#### REGIONAL HIGHLIGHT

##### **Citi Nigeria Pays Tribute to Women Leaders**

In Nigeria, the Exceptional Women Hall of Fame was unveiled on International Women's Day at Citi's headquarters in Lagos. Women honored included author Chimamanda Ngozi Adichie, Nigerian Minister of Finance Ngozi Okonjo-Iweala and Ngozi Omoke-Enyi, the first female Senior Branch Operating Officer at Citibank Nigeria.

#### **Recognition in 2012 for Citi's Leadership on Women**

##### **Employer of Choice for Women**

*Equal Opportunity for Women in the Workplace Agency, Australia*

##### **Gender Equity Model Certification**

*National Institute of Women, Mexico*

##### **Top 50 Places Where Women Want to Work**

*The Times, United Kingdom*

##### **Top 50 Companies for Executive Women**

*National Association for Female Executives (NAFE), United States*

##### **Innovations in Diversity Award**

*Profiles in Diversity Journal, United States, for Citi's International Women's Day celebration*

**International Women's Day:** In March 2012 Citi celebrated the achievements of women—past, present and future—during our first global International Women's Day celebration. Citi Women was the catalyst for more than 100 events held in 88 cities across 57 countries. In New York, executives and guest speakers shared their experiences and perspectives in a program called “View from the Top: A Conversation with Inspirational Leaders.”

#### **Diversity Week**

Diversity Week uses events and activities to heighten employee awareness of diversity, and in 2012 we continued this popular tradition.

In the region covering Europe, the Middle East and Africa (EMEA), the week's theme was “celebrating the past, defining the future,” with events in over 50 locations.

In Spain the Citi women's network visited the Ministry for Equality and ran roundtables on sexual orientation and disability awareness. In the U.K., events covered topics including communicating across cultures and the rights of same-sex couples. Employee participation went all the way to the top. Our CEO, Mike Corbat, in his former role as CEO of EMEA, took part in a panel discussion in Nigeria and South Africa on gender diversity.

Across 19 countries in the Latin America region, Diversity Week included awareness-raising conferences, presentations and theatrical plays. To promote inclusion of the visually impaired, senior management attended an international food tasting and a dinner in the dark. By tradition, the week ended at a Six Flags amusement park event in Mexico City for over 30,000 employees and their families.

#### **Employee Networks**

Citi's size and workforce diversity lends itself to affinity groups across locations and borders. Employee networks are run by employees and open to all. At the close of 2012, Citi supported 74 employee networks representing some 15,000 members across 27 locations in Canada, the Republic of Ireland, the United Kingdom and the United States.

In 2012, Citi supported 74 employee networks with some 15,000 members across 27 global locations.

We also added networks in three new countries—Mexico, Poland and Spain—and launched 14 new employee networks: six for military veterans, four for women, two Pride networks, one disability network and our first Generations network.

*"I have been a member of Citi Roots London for almost six years. I feel we have a responsibility to ensure the company we work for is one we can be proud of because of its attitude to a diverse employee-base. Multiculturalism, and respect for each other's differences, is the foundation for a healthy society."*

—Rebecca Mable (CTS), Co-chair, Citi Roots London

#### PIONEERING PARTNERSHIPS

##### Human Rights Campaign

Since 2004, Citi has achieved 100 percent on the annual Corporate Equality Index of the Human Rights Campaign's (HRC). This benchmark measures an organization's ability to provide a safe and welcoming environment for lesbian, gay, bisexual and transgender employees and customers. Citi employees also sit on HRC's national Board of Directors and Business Council.

##### Catalyst

Catalyst is a leading global organization dedicated to expanding opportunities for women and business. As a trusted nonprofit resource for research, information and advice about women at work, Catalyst helps create more inclusive workplaces where all employees can thrive. Citi has been a Catalyst member since 1998 and in 2012 became a global supporter, leveraging Catalyst's presence across the United States, Canada, Europe and India.

##### Diversity and Recruitment

Citi makes significant efforts in all the regions to attract diverse candidates by partnering with targeted colleges and universities and external organizations that support workforce diversity.

**Asia Pacific:** In Australia, the Women in Banking scholarship for penultimate-year female students and the mandate to have a female interviewer present on any recruiting panel have helped Citi recruit talent for its businesses.

**Europe, the Middle East and Africa:** In the United Kingdom, Citi hosted "Inside and Out," an LGBT inter-bank event for university students. Participants enjoyed presentations and a networking opportunity with representatives of the 11 banks that took part.

**Latin America:** In Mexico, Citi partners with the NGO Inclúyeme, striving to reinforce self-sufficiency for low-income adults through employment and inclusion programs. In Brazil, Citi has an internship program with Zumbi dos Palmares University in which more than half the places are reserved for African Brazilians.

**United States:** In the United States, Citi partners with organizations to attract diverse talent, including the Consortium for Graduate Studies in Management, the Executive Leadership Council and Management Leadership for Tomorrow.

For more about Diversity at Citi, please see our [Diversity Annual Report 2012](#).

##### Engagement and Learning

To maintain our global leadership position, we need to attract the best people and provide them with the skills to thrive in our fast-moving and competitive sector.

First-class employee learning and development is a strategic investment for Citi and integral to our success. Combined with sponsorship from senior executives, it supports our business strategy by increasing job satisfaction, facilitating strong workplace partnerships and grooming our future leaders.

*"Citi seeks to be the company where the most talented professionals in our industry want to work, because they will learn more here than anywhere else. Learning at Citi is seen as a source of competitive advantage."*

—Steffen Landauer, Citi Chief Learning Officer

## Developing Employees

Employees at Citi learn in three kinds of environments: on-the-job, daily experience; through formal and informal feedback and development conversations with managers; and in physical or virtual classrooms.

In 2012, 98 percent of Citi employees took advantage of these opportunities, averaging around 40 hours of training across our four regions. We also scaled our leadership programs to reach over 12,000 midlevel managers, 20 percent more than in 2011. By 2013, we plan to train over 38,000 Citi people managers on core leadership skills.

Classroom training in 2012 varied from half-day programs to 10-week courses. One important new element was a global curriculum specifically to promote a consistently highly skilled corporate and investment banking workforce and create a culture of continuous employee development across our regions. Over 5,000 bankers at various levels of seniority across the globe attended programs on risk/credit, product training and/or client management. In addition, we launched the Citi Learning Series, in which leading academics and thought leaders speak on leadership and organizational topics relevant to our business. Over 15,000 employees across all businesses and regions participated during the year.

## REGIONAL HIGHLIGHTS

### Asia Leadership Program

Forty senior leaders across Citi Asia Pacific took part in a week long dialogue on the region's business priorities and business strategy, and their role in driving these through. Team exercises focused on how to bring benefit to Citi through leveraging a hidden asset or an underutilized business. The event also fostered high-level cross-business networking.

### Singapore's Employer of Choice

In 2012, Citi was ranked among the top employers in Universum's Top 100 Ideal Employers in Singapore and Top 50 Ideal Employers in Asia. *GTI Asia* also listed Citi among its Singapore Top 100 Graduate Employers.

To support self-directed employee learning, we also launched a global learning portal. This provides on-demand access to learning content, although making it available to employees in countries without high-quality technology infrastructure has been a challenge. Balancing the demand for globally relevant programs with the need for regionally and locally customized programs has also proven a challenge.

**98% of employees worldwide received training, averaging 40 hours per individual.**

**Citi Leadership Forum:** A key focus in 2012 was our continuing global program to educate and align all Citi's 3,200+ managing directors around our CEO's vision for the company's future. Led by Citi leaders, this program aims to drive company-wide effort on strategic priorities, bringing together senior staff from 100 countries working across a wide range of businesses. Our CEO and COO were among 40 Citi leaders who led two-day sessions during 2012, alongside world-class external speakers.

By October 2012, the program had reached 97 percent of Citi's managing directors. In 2013 we will extend the Citi Leadership Forum to our directors to drive deeper alignment, regional ownership and action around Citi's priorities.

**In 2012, 97% of Citi managing directors took part in our Global Leadership Forum**

### Managing Directors React to Leadership Forum

*"In my many years in the industry working for a number of major firms, this ranks as one of the best conferences I have attended. The commitment made by senior management far exceeded just words; a lot of intellectual capital had been set aside. Thank you and I now owe you a duty to deliver."*

*"We are hopefully building a long-term culture of excellence, and these programs go a very long way in breaking down silos, and inspiring pride, camaraderie and common purpose."*

## Compensation and Benefits

Citi provides fair and competitive compensation, including performance-based incentives, across our offices in 100 countries. We also offer wide-ranging benefits, including health and retirement plans, life and disability insurance and commuter benefits, as well as health and wellness programs (see above) and flexible working opportunities (see below), which vary from region to region.

Citi's compensation objectives are developed and approved by the Personnel and Compensation Committee of the Board of Directors. They include providing competitive rewards in order to attract and retain the best talent in financial services and promoting meritocracy by recognizing outstanding employee contributions.

Our approach to executive compensation is outlined on [page 13](#) and Citi's full Compensation Philosophy can be found [online](#).

## Evaluating Employees

An effective performance management process is critical to our company's success. All employees, including executives, are evaluated annually.

In measuring employee performance we seek to promote a culture of meritocracy and strong risk management. Employees are evaluated not just on end results but also on how business goals are achieved. Managers provide comprehensive feedback to clarify employee expectations, inform pay and promotion decisions and highlight individuals' strengths and areas that need work.

## Gathering Feedback

Employee feedback is critical to our business success. It helps us assess key management practices, monitor workforce trends and concerns and target areas of opportunity.

We gather feedback through town hall meetings, focus groups and issue-focused action teams. Employees in 100 countries also take part in our annual confidential survey, Voice of the Employee (VOE), available online in almost 30 languages. Topics include job satisfaction, recognition and rewards, work-life balance, innovation, partnership and client focus.

The latest VOE was conducted in September 2012, with a record 88.5 percent of active direct employees taking part. Satisfaction with the company remained consistent at 73 percent—a new high set in 2011.

Employees responded favorably when asked about Citi's inclusive culture, describing a strong management commitment to diversity and working groups that value varied perspectives. The survey also highlighted room for improvement in providing employees with the training and resources to meet their career goals. We will address this by continuing to roll out the learning programs described above and through improved communication with employees.

## Engaging Unions

Corporate citizenship includes embracing workplace rights for employees. Citi has productive and healthy relationships with trade unions and work councils in Citi offices around the world.

Since we operate in 150 countries, there is no one approach to employee rights in our workplaces. In some countries such rights are defined by law, in others by collective bargaining agreements that we make with unions.

Citi's Statement on Human Rights (see [page 15](#)) supports freedom of association for employees and the right to organize and bargain collectively, as expressed in the International Labour Organization's core conventions. The majority of Citi's workforce, however, is not covered by collective bargaining agreements. In Asia Pacific, for example, approximately 8.7 percent of our employees—in India, Indonesia, Korea, Malaysia and the Philippines—fall under such agreements. In Latin America, there are trade unions in Citi workforces in Brazil, Colombia, Argentina, Uruguay and Mexico.

Citi strictly follows local laws and requirements regarding minimum notice periods alerting employees to changes in our operations. Health and safety issues in our workplaces are also covered largely by local laws and regulations.

## Health, Safety and Wellness

Since our employees are mainly office-based, they face few direct occupational health and safety risks. But sedentary lifestyles bring their own health and wellness challenges. Citi's first-class global health and wellness programs help our employees address these everyday risks by improving their physical fitness and well-being, which in turn boosts productivity.

### Living Well at Citi

Our approach to date has been to make each region responsible for on-site medical and fitness facilities and other programs that meet employee needs, local regulations and best practice standards. In April 2012, we expanded these efforts by launching an ambitious global health strategy, Live Well at Citi. The goal is to promote a culture of health through programs that meet overall company objectives while serving differing local needs. Regions will be required to meet global standards to support disease and illness prevention, discourage smoking, promote healthy nutrition and exercise, help employees manage chronic conditions and encourage resilience.

The program will be rolled out over three to five years, with toolkits provided to human resources managers. Our U.S., U.K., Mexico and Asia Pacific regions have already reorganized their mature health promotion programs under the Live Well at Citi banner.



Live Well at Citi was launched in April 2012 at the Citi County Officer forum with strong support from company leadership.

### Promoting Good Health

Promoting healthy lifestyles is a priority across our regions. Benefits offered to employees include flu shots, smoking cessation programs, nutrition counseling, oral and skin cancer screenings, mammography and biometric screening. Services are delivered through 23 global fitness centers and nine on-site Live Well at Citi Clinics in the United States. In addition, most U.S. call centers organize site safety teams that receive CPR and automated external defibrillation (AED) training.

In 2012, U.S. biometric screening was expanded to 13 additional work sites, and over 25,000 U.S. employees received free flu shots. In the U.K., Citi's on-site medical clinic in Canary Wharf teams with the private medical provider BUPA to offer comprehensive screenings, including cholesterol and mole checks.

*Highlights on Health*, our bimonthly e-newsletter launched in 2011 for employees in the U.S. and Puerto Rico, increased readership to over 20,000 pages viewed per edition in 2012.

### Focusing on Fitness

Recognizing that fitness and good health go hand in hand, Citi maintains fitness programs worldwide.

In 2012, we placed a major emphasis on heart health. Over 1,100 employees—more than from any other organization—took part in the New York City Heart Walk and raised over \$117,000 for the American Heart Association. Seven Citi offices around the U.S. joined in

## Heart-Healthy Programs Recognized

Physical inactivity doubles the risk of heart disease, the leading cause of death in the United States. Since many of our employees are desk-based, we supply free fitness and health education programs to encourage them to pursue heart-healthy activities. In 2012, Citi was awarded the American Heart Association's **Platinum Level Fit-Friendly Company Award**. The award is given to "extraordinary" employers who go above and beyond in promoting workplace health and was an improvement on our Gold Level award in 2011.

AWARD

## OUR EMPLOYEES

local Heart Walks or sponsored related on-site events, raising over \$184,000, and 25 locations took part in Go Red for Women events. Citi celebrated women's heart health around the world on February 1, 2013, by encouraging all employees to take part in Global Wear Red Day.

### Advice and training

Our in-house experts at Citi Health Services provide wide-ranging support in the U.S. and globally. They assist on travel health issues, including providing vaccinations to U.S. employees at our medical clinics. They also respond to communicable disease outbreaks globally with targeted testing, health education and prevention advice. In 2012, for example, Health Services tested employees for tuberculosis (TB) in the New York area and helped design a TB screening for employees in Indonesia with potential exposure.

In the U.K. and U.S., employees receive online ergonomic training and assessment tools to help avoid workplace injury. At our U.S. call centers with on-site fitness centers, professional instructors provide desk stretch training for employees.

Citi also provides specific safety training for jobs that require driving, handling of chemicals, lifting heavy objects and other potentially hazardous tasks.

### Supporting Work/Life Effectiveness

Flexible working arrangements support employee well-being and help us attract and retain talented people. It can also reduce our real estate costs and enhance productivity.

Through our flexible work program, Citi Work Strategies, all employees may request a flexible schedule for their manager and HR representative to consider. Options include remote working, a compressed work week or flexible start and stop times. Our web portal provides information about employee options and gives managers the tools to implement the program. It also hosts online training courses to help employees and

## CASE STUDY

### Citi 200 Global Fitness Challenge

In October 2012, we launched a 200th anniversary initiative to encourage our employees to get fit. The response has been phenomenal, with 45,000 employees from 97 countries signing up by year's end.

Participants commit to a 30-day exercise program—walking, cycling, running or swimming—and earn points for achieving personal fitness goals. Citi converts these points into donations to employees' chosen charities, including Habitat for Humanity International, United Way Worldwide and the International Federation of Red Cross and Red Crescent Societies.

Many Citi executives set the pace, including Asia Pacific CEO Stephen Bird, who led a four-kilometer run along Hong Kong's Bowen Trail.

From October through December 2012, 45,000 employees from 97 countries signed up for our incentive-driven Citi 200 Global Fitness Challenge.

managers operate in a flexible work environment, supporting our commitment to transform our corporate culture.

In 2012, we launched an enhanced global program with an improved website, more resources and comprehensive training for managers and employees.

We also support employees in their responsibilities outside work. For example, we offer childcare and elderly care services to more than 100,000 employees in Europe and the United States.

Our strong support for work/life effectiveness programs has earned us recognition from *Working Mother Magazine* as one of the **100 Best Companies in the United States** for 21 consecutive years.

AWARD



# APPENDIX

## CITI 2012 U.N. GLOBAL COMPACT TABLE

In 2010, Citi joined the United Nations Global Compact, the world's largest and most widely embraced corporate citizenship initiative. The UN Global Compact asks companies to embrace, support and enact a set of core values in the areas of human rights, labor, the environment and anticorruption. The table below outlines our communication on progress on the UN Global Compact's 10 principles.

Principle	Information in the Citizenship Report
<b>HUMAN RIGHTS</b>	
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
<b>LABOR</b>	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Engaging Unions
Principle 4: The elimination of all forms of forced and compulsory labor;	Human Rights Environmental and Social Risk Management
Principle 5: The effective abolition of child labor; and	Human Rights
Principle 6: The elimination of discrimination in respect of employment and occupation.	Diversity
<b>ENVIRONMENT</b>	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Environmental and Social Risk Management Investing in Environmental Solutions
Principle 8: Undertake initiatives to promote greater environmental responsibility; and	Environmental and Social Risk Management Investing in Environmental Solutions Operations
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	Investing in Environmental Solutions Operations
<b>ANTICORRUPTION</b>	
Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.	Governance, Ethics and Government Relations

## GLOBAL REPORTING INITIATIVE (G3.1) INDEX

This index covers the GRI G3.1 indicators, including those in the Financial Services Sector Supplement, found in our 2012 Global Citizenship Report, 2012 Annual Report and company website. It includes all of the G3.1 core indicators, including those that we do not report against. We have only included additional indicators if we report against them.

Based on an internal review, Citi determines this to be a B level report against the GRI G3.1 Guidelines.

GRI Guideline	Location
<b>STRATEGY AND ANALYSIS</b>	
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy
1.2	Description of key impacts, risks and opportunities
	Letter from CEO, Mike Corbat Environmental and Social Risk Management
<b>PROFILE</b>	
2.1	Name of reporting organization
2.2	Primary brands, products and/or services
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures
2.4	Location of organization's headquarters
2.5	Number of countries where organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report
2.6	Nature of ownership and legal form
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)
2.8	Scale of the reporting organization, including: <ul style="list-style-type: none"> <li>• Number of employees</li> <li>• Net sales</li> <li>• Total capitalization broken down in terms of debt and equity</li> <li>• Quantity of products or services provided</li> </ul>
2.9	Significant changes during the reporting period regarding size, structure or ownership, including: <ul style="list-style-type: none"> <li>Location of, or changes in, operations, including facility operations, closings and expansions</li> <li>Changes in the share capital structure and other capital formation, maintenance and alteration operations</li> </ul>
2.10	Awards received in the reporting period
	Citigroup Inc. About Citi 2012 Annual Report Proxy Statement 2012 Annual Report 2012 Annual Report 2012 Annual Report 2012 Annual Report 2012 Annual Report Citi Awards and Recognitions 2012
<b>REPORT PARAMETERS</b>	
3.1	Reporting period for information provided
3.2	Date of most recent previous report
3.3	Reporting cycle
3.4	Contact point for questions regarding the report or its contents
	About This Report 2011 Global Citizenship Report Citi FY2012 About This Report citizenship@citi.com About This Report

GRI Guideline		Location
<b>Report Scope and Boundary</b>		
3.5	Process for defining report content, including: <ul style="list-style-type: none"> <li>• Determining materiality</li> <li>• Prioritizing topics within the report</li> <li>• Identifying stakeholders the organization expects to use the report</li> </ul>	Citizenship Approach Citizenship Focus Areas and Priorities Stakeholder Engagement
3.6	Boundary of the report	About This Report
3.7	State any specific limitations on the scope or boundary of the report	About This Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations	About This Report
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	Operations
3.10	Explanation of the effect of any restatements of information provided in earlier reports and the reasons for such restatement	No such restatements
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	No such restatements
<b>GRI Content Index</b>		
3.12	Table identifying the location of the standard disclosures in the report	This Index
<b>Assurance</b>		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also, explain the relationship between the reporting organization and the assurance provider.	Operations KPMG Assurance Statement
<b>GOVERNANCE, COMMITMENTS AND ENGAGEMENT</b>		
<b>Governance</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	Board Composition Corporate Governance Guidelines
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and if so, their function within the organization's management and the reasons for this arrangement).	2012 Annual Report
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or nonexecutive members.	Board Composition
4.4	Mechanisms for stakeholders and employees to provide recommendations or direction to the highest governance body	Proxy Statement Code of Conduct
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements) and the organization's performance (including social and environmental performance)	Executive Compensation Proxy Statement
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Proxy Statement
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics	Board Composition
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance, and the status of their implementation	Letter from CEO, Mike Corbat Joint Letter from Pamela Flaherty and Bob Annibale Citizenship Approach Citi Code of Conduct

## GRI Guideline

## Location

## Governance (continued)

4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles	Board Composition Corporate Governance Guidelines
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	Board Composition Corporate Governance Guidelines
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Environment and Social Risk Management Investing in Environmental Solutions
4.12	Externally developed economic, environmental, and social charters, principles or other initiatives to which the organization subscribes or endorses	Various, including: The Equator Principles The Carbon Principles United Nations Universal Declaration of Human Rights United Nations Global Compact
4.13	Members in associations and/or national/international advocacy organizations in which the organization: • Has positions in governance bodies • Participates in projects or committees • Provides substantive funding beyond routine membership dues; or • Views membership as strategic	Various, including: The Equator Principles 2012 Global Diversity Report

## Stakeholder Engagement

4.14	List of stakeholder groups engaged by the organization, e.g., communities, civil society, customers, shareholders and providers of capital, suppliers and employees, other workers and their trade unions	Stakeholder Engagement
4.15	Basis for identification and selection of stakeholders with whom to engage. Includes process for defining stakeholder groups and for determining the groups with which to engage.	Stakeholder Engagement
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. e.g. surveys, focus groups, community panels, corporate advisory panels, written communication, management/union structures and other vehicles. Say whether any engagement was undertaken specifically as part of the report preparation process.	Stakeholder Engagement
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those key topics and concerns, including through its reporting	Stakeholder Engagement

## ECONOMIC PERFORMANCE

## Disclosure on Management Approach

Provide a concise disclosure on the management approach items outlined below with reference to the following economic aspects: economic performance, market presence and indirect economic impacts.

2012 Annual Report  
Citizenship Approach  
Governance, Ethics and Government Relations  
Investing in Environmental Solutions

## ECONOMIC PERFORMANCE INDICATORS

## Aspect: Economic Performance

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments	2012 Annual Report
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Investing in Environmental Solutions
EC3	Coverage of the organization's defined benefit plan obligations	2012 Annual Report
EC4	Significant financial assistance received from government	Citi does not receive financial assistance from government.

GRI Guideline		Location
<b>Aspect: Market Presence</b>		
EC5	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation	We provide competitive levels of compensation above local minimum-wage requirements.
<b>Aspect: Indirect Economic Impacts</b>		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro-bono engagement	Investing in Environmental Solutions Serving Communities
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Investing in Environmental Solutions Serving Communities
<b>ENVIRONMENTAL PERFORMANCE</b>		
<b>Disclosure on Management Approach</b> Provide a concise disclosure on the management approach items outlined below with reference to the following economic aspects: materials, energy, water, biodiversity, emissions, effluents and waste, products and services, compliance, transport and overall.		Environmental Sustainability Operations
<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>		
<b>Aspect: Materials</b>		
EN1	Materials used by weight or volume	Not material to Citi's operations
EN2	Percentage of materials used that are recycled input materials	Not material to Citi's operations
<b>Aspect: Energy</b>		
EN3	Direct energy consumption by primary energy source	Environmental Sustainability Performance
EN4	Indirect energy consumption by primary source	Environmental Sustainability Performance
EN5	Energy saved due to conservation and efficiency improvements	Operations
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	Operations
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Operations
<b>Aspect: Water</b>		
EN8	Total water withdrawal by source	Environmental Footprint
EN9	Water sources significantly affected by withdrawal of water	No sources significantly affected in 2012.
<b>Aspect: Biodiversity</b>		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity outside of protected areas	Not material to Citi's own operations. See <a href="#">Environmental and Social Risk Management</a> with regard to lending and project financing policies.
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Not material to Citi's own operations. See <a href="#">Environmental and Social Risk Management</a> with regard to lending and project financing policies.

GRI Guideline		Location
<b>Aspect: Biodiversity (continued)</b>		
EN13	Habitats protected or restored	Not material to Citi's own operations. See <a href="#">Environmental and Social Risk Management</a> with regard to lending and project financing policies.
EN14	Strategies, current actions and future plans for managing impacts on biodiversity	Not material to Citi's own operations. See <a href="#">Environmental and Social Risk Management</a> with regard to lending and project financing policies.
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Not material to Citi's operations. Citi does not operate in such areas.
<b>Aspect: Emissions, Effluents and Waste</b>		
EN16	Total direct and indirect greenhouse gas emissions by weight	<a href="#">Environmental Sustainability Performance</a>
EN17	Other relevant indirect greenhouse gas emissions by weight	<a href="#">Environmental Sustainability Performance</a>
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	<a href="#">Environmental Sustainability Performance</a>
EN22	Total weight of waste by type and disposal method	<a href="#">Environmental Footprint</a>
EN23	Total number and volume of significant spills	No significant spills in 2012.
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally	No such waste transported, imported, exported or treated in 2012.
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	No such water bodies or habitats affected in 2012.
<b>Aspect: Products and Services</b>		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	<a href="#">Environmental and Social Risk Management</a>
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	No such products sold in 2012
<b>Aspect: Compliance</b>		
EN28	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations	Citi did not receive any significant fines for noncompliance with environmental laws or regulations.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce	<a href="#">Environmental Sustainability Performance</a>
<b>Aspect: Overall</b>		
EN30	Total environmental protection expenditures and investments by type	<a href="#">Investing in Environmental Solutions</a>

## GRI Guideline

## Location

## PERFORMANCE: LABOR PRACTICES AND DECENT WORK

**Disclosure on Management Approach**

Provide a concise disclosure on the management approach items outlined below with reference to the following labor aspects: employment, labor/management relations, occupational health and safety, training and education and diversity and equal opportunity.

Our Employees

## LABOR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS

## Aspect: Employment

LA1 Total workforce by employment type, employment contract and region

Our Employees

## Aspect: Labor/Management Relations

LA4 Percentage of employees covered by collective bargaining agreements

Engaging Unions

LA5 Minimum notice period(s) regarding operational changes, including whether this is specified in collective agreements

Engaging Unions

## Aspect: Occupational Health and Safety

LA8 Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases

Health, Safety and Wellness

## Aspect: Training and Education

LA10 Average hours of training per year per employee by employee category

Engagement and Learning

LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing their careers

Engagement and Learning

LA12 Percentage of employees receiving regular performance and career development reviews

Engagement and Learning

## Aspect: Diversity and Equal Opportunity

LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity

Diversity  
Board Composition

## PERFORMANCE: HUMAN RIGHTS

**Disclosure on Management Approach**

Provide a concise disclosure on the management approach items outlined below with reference to the following human rights: investment and procurement practices, nondiscrimination, freedom of association and collective bargaining, abolition of child labor, prevention of forced and compulsory labor, complaints and grievance practices, security practices and indigenous rights.

Human Rights  
Citi Code of Conduct

## HUMAN RIGHTS INDICATORS

## Aspect: Investment and Procurement Activities

HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening

Human Rights Reporting

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken

Sustainability in Our Supply Chain

HR3 Total hours of employee training in policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees that are trained

Citi Code of Conduct

## Aspect: Freedom of Association and Collective Bargaining

HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights

Engaging Unions

## Aspect: Child Labor

HR6 Operations identified as having a significant risk for incidents of child labor, and measures taken to contribute to the elimination of forced or compulsory labor

Engaging Unions  
See **Environmental and Social Risk Management** with regard to lending and project financing policies.

## GRI Guideline

## Location

## Aspect: Forced and Compulsory Labor

HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	Engaging Unions See <a href="#">Environmental and Social Risk Management</a> with regard to lending and project financing policies.
-----	---	--

## Aspect: Indigenous Rights

HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Human Rights Reporting
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	The Equator Principles—Sharing Good Practice beyond Citi
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	Human Rights Reporting

## PERFORMANCE: SOCIETY

**Disclosure on Management Approach**

Provide a concise disclosure on the management approach items outlined below with reference to the following society aspects: community, corruption, public policy, anticompetitive behavior and compliance.

Government Relations and Public Policy  
Citi Code of Conduct  
Human Rights

## SOCIETY PERFORMANCE INDICATORS

## Aspect: Corruption

SO2	Percentage and total number of business units analyzed for risks related to corruption	All of our business units are analyzed for risks related to corruption.
SO3	Percentage of employees trained in organization's anticorruption policies and procedures	Citi Code of Conduct

## Aspect: Public Policy

SO5	Public policy positions and participation in public policy development and lobbying	Public Policy Involvement
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	Political Contributions

## Aspect: Anticompetitive Behavior

SO7	Total number of legal actions for anticompetitive behavior, antitrust and monopoly practices and their outcomes	2012 Annual Report
-----	---	--------------------

## Aspect: Compliance

SO8	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with laws and regulations	2012 Annual Report
-----	---	--------------------

## PERFORMANCE: PRODUCT RESPONSIBILITY

**Disclosure on Management Approach**

Provide a concise disclosure on the management approach items outlined below with reference to the following society aspects: customer health and safety, product and service labeling, marketing communications, customer privacy and compliance.

Supporting Consumers

## PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

## Aspect: Customer Health and Safety

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Not material to Citi's operations.
PR2	Total number of incidents of noncompliance with regulations and voluntary codes concerning health and safety impacts of products and service during their life cycle, by type of outcomes	Not material to Citi's operations.

## GRI Guideline

## Location

## Aspect: Customer Health and Safety (continued)

PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Citi has policies in place that ensure accurate product and service information in compliance with applicable laws and regulations.
-----	--	---

PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction
-----	--

Measuring Consumer Satisfaction

## Aspect: Marketing Communications

PR6	Programs for adherence to laws, standards and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship
-----	---

Responsible Marketing Communications

## Aspect: Compliance

PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services
-----	---

No such fines in 2012.

## FINANCIAL SERVICES SECTOR

## Specific Disclosure on Management Approach

FS1	Policies with specific environmental and social components applied to business lines	Environmental and Social Risk Management
FS2	Procedures for assessing and screening environmental and social risks in business lines	Environmental and Social Risk Management
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	ESRM Review Process
FS4	Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	ESRM Training
FS5	Interactions with clients/investors/business partners regarding environmental and social risks and opportunities	Environmental and Social Risk Management The Equator Principles Stakeholder Engagement

## FINANCIAL SERVICES SECTOR: PRODUCT AND SERVICE IMPACT INDICATORS

## Aspect: Product Portfolio

FS6	Percentage of the portfolio for business lines by specific region, size and sector	2012 Annual Report
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Financial Inclusion
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Investing in Environmental Solutions

## Aspect: Audit

FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	ESRM Review Process
-----	---	---------------------

## Aspect: Community

FS13	Access points in low-populated or economically disadvantaged areas	Financial Inclusion
FS14	Initiatives to improve access to financial services for disadvantaged people	Financial Inclusion

## Aspect: Product and Service Labeling

FS15	Policies for the fair design and sale of financial products and services	Financial Inclusion Supporting Consumers
FS16	Initiatives to enhance financial literacy by type and beneficiary	Serving Communities



**KPMG LLP**  
345 Park Avenue  
New York, NY 10154-0102

## INDEPENDENT ACCOUNTANT'S REPORT

Citigroup Inc. Board of Directors and Management:

We have reviewed management's assertion, included in the accompanying Appendix A, that the selected Corporate Citizenship metrics identified below and denoted by footnote within the Global Citizenship Report of Citigroup Inc. for the year ended December 31, 2012, are presented in conformity with the reporting criteria set forth in management's assertion in Appendix A (the Reporting Criteria).

- Greenhouse gas emissions Scope 1 and Scope 2
- Electricity
- District heating (steam and chilled water)
- Natural gas
- Fuel oil
- Waste diverted from landfill
- Total waste
- Water consumption
- Equator Principles (EP) - Covered Project Finance Loans
- EP-Covered Project Finance Advisories
- EP - Funded Project Finance Loans by Sector

Citigroup Inc.'s management is responsible for the assertion and for the Reporting Criteria which it has identified as an objective basis against which it assesses and reports on the selected Corporate Citizenship metrics. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of selected data that is free from material misstatement, whether due to fraud or error.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion.

Environmental and energy use metrics are subject to inherent limitations, given the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

As discussed in Appendix A, Citigroup Inc. has disclosed in accordance with company policy that data for transportation fleet, fugitive emissions and refrigerants, have not been included in their Scope 1 Greenhouse Gas inventory. Additionally, as discussed in Appendix A, accruals and estimates are made using 2011 data. We did not review the 2011 data.

Based on our review, nothing came to our attention that caused us to believe management's assertion referred to above is not fairly stated, in all material respects, based on the corresponding Reporting Criteria set forth in Appendix A.

**KPMG LLP**

May 23, 2013  
New York, New York

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

## Appendix A

**Management's Assertion**

Citigroup Inc. is responsible for the completeness, accuracy and validity of the Corporate Citizenship metrics contained in the Global Citizenship Report for the year ended December 31, 2012. The Corporate Citizenship metrics presented include Citigroup Inc. and its subsidiary operations.

With respect to the Corporate Citizenship metrics summarized below and within the 2012 Global Citizenship Report, Management of Citigroup Inc. asserts that such Corporate Citizenship metrics are presented in conformity with the Reporting Criteria set forth below.

Metric Description	Metric Reporting Criteria	Metric Quantity
Greenhouse gas emissions – Scope 1 and Scope 2	The quantity in metric tons of carbon dioxide equivalent greenhouse gas emissions accounted and reported for in accordance with the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard - Revised Edition. See below for additional Environmental Reporting.	Total – 1,029,257 Scope 1 – 35,570 Scope 2 – 993,687
Electricity	The quantity in gigawatt hour of electricity purchased by facilities within our operational boundaries using estimation techniques described in the Environmental Reporting below.	2,008
Natural Gas	The quantity in gigawatt hour of natural gas purchased by facilities within our operational boundaries supported by invoices or using estimation techniques described in the Environmental Reporting below.	118
Fuel Oil	The quantity in gigawatt hour of fuel oil purchased by facilities within our operational boundaries supported by invoices or using estimation techniques described in the Environmental Reporting below.	55

## INDEPENDENT ACCOUNTANT'S REPORT

District heating (Steam & Chilled Water)	The quantity in gigawatt hour of district heating purchased by facilities within our operational boundaries supported by invoices or using estimation techniques described in the Environmental Reporting below.	61
Waste diverted from landfill	The quantity in metric tons of waste diverted from landfill that includes waste reduction, waste reused, waste recycled, and waste to fuel recovery produced by facilities within our operational boundaries as supported by contract, invoice, or bill-of-lading.	20,832
Waste stream to landfill	The quantity in metric tons of waste sent to landfill by facilities within our operations boundaries supported by invoices or using estimation techniques described in the Environmental Reporting below.	38,679
Total waste	The aggregate quantity in metric tons of waste stream to landfill and waste diverted from landfill.	59,511
Water consumption	The quantity in cubic meters of water consumed by facilities within our operational boundaries supported by invoices or using estimation techniques described in the Environmental Reporting below.	6,732,680

**Environmental Reporting***Boundaries*

Our boundaries are defined as company managed locations under the operational control methodology outlined in the GHG Protocol.

*Estimation Technique*

In cases where actual invoices are never available, estimates for electricity consumption, water consumption, natural gas and waste are made using a global estimate calculated using an intensity measure based on 2011 consumption, usage of facility and square footage. For months at facilities where invoices are normally received but were not received as of February 21, 2013 (our reporting cut-off date), we accrue an estimate based on consumption in the same month in 2011.

*Additional GHG Reporting*

In accordance with company policy, the Greenhouse gas (GHG) Inventory excludes Scope 1 emissions from our transportation fleet as well as fugitive emissions and refrigerants. We have no CO<sub>2</sub> emissions from biologically sequestered carbon. We have not traded, sold, purchased, transferred or banked any carbon allowances in our inventory calculations.

The carbon dioxide emissions and equivalents associated with the activities noted above have been determined on the basis of measured or estimated energy and fuel use, multiplied by relevant carbon emission factors. Published emission factors were used to calculate emissions from operations.

Emission Source	Emission Source Type	Emission Factor Employed
Scope 1, Global	Natural gas, fuel oil, and diesel	GHG emissions from energy consumption are calculated using the Intergovernmental Panel on Climate Change (United Nations) 2008 emission factors.
Scope 2, U.S.	Electricity and Chilled Water	GHG emissions from energy consumption are calculated using the United States EPA eGRID sub-regional emission factors for electricity and chilled water purchased in the United States.
Scope 2, Rest of the world	Electricity and Chilled Water	For all other locations, GHG emissions from energy consumption are calculated using national emission factors provided by the International Energy Agency (IEA).

Global warming potentials applied are from the Intergovernmental Panel on Climate Change second assessment report (1995).

The following tables present the Company's GHG Inventory by scope and GHG type for the reporting period January 1, 2012 through December 31, 2012:

Operational Boundary	Emissions (in metric tons CO <sub>2</sub> e)
Scope 1	35,570
Scope 2	993,687
<b>Total</b>	<b>1,029,257</b>

GHG Type	Emissions (in metric tons CO <sub>2</sub> e)
<i>Scope 1</i>	
CO <sub>2</sub>	35,443
CH <sub>4</sub>	80
N <sub>2</sub> O	47
<b>Total</b>	<b>35,570</b>
<i>Scope 2</i>	
CO <sub>2</sub>	989,228
CH <sub>4</sub>	570
N <sub>2</sub> O	3,889
<b>Total</b>	<b>993,687</b>

**Equator Principles Reporting**

<b>Metric Description</b>	<b>Metric Reporting Criteria</b>	<b>Metric Quantity</b>			
		<b>Category</b>	<b>Reviewed</b>	<b>Mandated</b>	
EP-Covered Project Finance Advisories	The total number and categorization of project finance advisory activities as defined by Citi's EP Reporting criteria below.	A	1	0	
		B	4	2	
		C	0	0	
		<b>Total</b>	<b>5</b>	<b>2</b>	
EP-Covered Project Finance Loans	The total number and categorization of reviewed and funded project finance loans as defined by Citi's EP Reporting criteria below.	<b>Category</b>	<b>Reviewed</b>	<b>Funded</b>	<b>Total Capital Costs of Funded Projects</b>
		A	4	0	--
		B	11	8	\$9.5B
		C	2	0	--
		<b>Total</b>	<b>17</b>	<b>8</b>	<b>\$9.5B</b>
EP - Funded Project Finance Loans by Sector	The total number, classification and categorization of funded project finance loans as defined by Citi's EP Reporting criteria below.	<b>Sector</b>	<b>A</b>	<b>B</b>	<b>C</b>
		Power (solar)	0	2	0
		Oil and Gas	0	5	0
		Infrastructure	0	1	0
		<b>Total</b>	<b>0</b>	<b>8</b>	<b>0</b>

**Citi's Equator Principles Reporting Criteria**

Citi's Equator Principles (EP) Reporting criteria utilize the Scope section of the Equator Principles (June 2006) to delineate EP-covered project finance transactions (Transactions), which include project finance loans (Loans) and project finance advisory activities (Advisories). The year in which a Loan is reviewed is based on the date that the project has been submitted to business and credit risk senior management for approval to market to the client for consideration to fund their project; and the year in which a Loan is funded is based on the date it is funded by the banks. The year in which an Advisory is reviewed is based on the date the Project Finance department consults the Environmental and Social Risk Management (ESRM) Unit<sup>1</sup> for approval to market an Advisory role (as is required by Citi's ESRM policies and standards); and the year in which an Advisory is mandated is the year in which Citi is appointed by the client to serve as the Advisor for a project for a finite period of time. All Transactions are categorized based on the A, B, and C system of environmental and social categorization as defined in the Equator Principles (June 2006). Citi also elects to report funded Loans by industry sector.

<sup>1</sup> The ESRM Unit is responsible for review, consultation, and approvals on new transactions, as well as internal training, communications, policy implementation, tracking and reporting. Supporting the unit are "ESRM Champions" — credit risk officers with additional ESRM review and advice responsibilities — located in each region. Citi's Environmental and Social Policy Review Committee (ESPRC), made up of senior managers from across Citi business units, provides guidance on ESRM issues and related environmental issues. The Director of Corporate Citizenship and Citi's Managing Director of Business Development co-chair the committee.

# AWARDS AND RECOGNITIONS

## CORPORATE CITIZENSHIP

FTSE4Good Index—since 2002

Dow Jones Sustainability World Index—since 2001

Dow Jones Sustainability North America Index—since 2001

Best Corporate Citizen Award—since 2007  
*CommonWealth Magazine, Taiwan*

The Civic 50: #1 Financial Services Company, #2 Overall  
*The Civic 50 Survey, National Conference on Citizenship and Points of Light in partnership with Bloomberg LP*

Excellence in Corporate Social Responsibility Award since 2010  
*American Chamber of Commerce in Thailand*

Secretary of Defense Employer Support Freedom Award for Citi Salutes Employer Support of the Guard and Reserve  
*U.S. Department of Defense*

## ENVIRONMENT

Climate Innovation Index  
*Maplecroft*

Emerging Leader Award for Citi St. Louis, Missouri, USGBC Missouri Gateway  
*Growing Green Awards*

Greenest Banks in the World: #1  
*Bloomberg Markets*

Newsweek Green Rankings: #1 U.S. Bank  
*Newsweek Magazine*

## EMPLOYEES

100 Best Companies for Working Mothers—since 1992  
*Working Mother Magazine*

100% Corporate Equality Index Company—since 2004  
*Human Rights Campaign*

Corporate Inclusion Index, #1 Financial Services Company  
*Hispanic Association on Corporate Responsibility*

Employer of Choice for Women  
*Equal Opportunity for Women in the Workplace Agency, Australia*

Fit-Friendly Company Award, Platinum Level  
*American Heart Association*

Gender Equity Model Certification  
*National Institute of Women, Mexico*

Innovations in Diversity Award for Citi's 2012 International Women's Day Celebration  
*Profiles in Diversity Journal*

Top 50 Companies for Executive Women  
*National Association for Female Executives*

Top 50 Places Where Women Want to Work  
*The Times, United Kingdom*

## COMMUNITY

Award for Excellence for Citi Microfinance Partnership with Overseas Private Investment Corporation  
*Business in the Community International*

Best E-Business Solution in Finance for the Banamex Transfer Program, in Partnership with América Móvil  
*CNN Expansión*

Community Commitment Award, Economic Development for Platform to Employment, in collaboration with the WorkPlace  
*American Banker Association*

Corporate Innovator of the Year for Bridge to Business Success Partnership  
*Los Angeles Mayor's Office*





With 200 years of experience, Citi works tirelessly to serve individuals, communities, institutions and nations. We provide responsible financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services and wealth management.