



Environment

Photo courtesy of The Society of Wilderness, Taiwan

# Environment

Citi Asia Pacific promotes environmental sustainability across the organisation in many different ways:

- Reducing the environmental footprint of our buildings and operations
- Screening transactions for compliance with the rigorous environmental and social standards required under our Environmental and Social Risk Management Policy, which includes the Equator Principles
- Developing innovative, environmentally-oriented products and services for our clients, such as Socially Responsible Investment research reports, and paperless initiatives for Citibank customers
- Building our own portfolio of green, alternative investments
- Encouraging our employees to support environmental initiatives in the workplace and the community
- Supporting the work of environmental NGOs with Citi Foundation grants.

In 2007, Citi announced an unprecedented 10-year, US\$50 billion global initiative to combat climate change. We have developed 'Climate Positive' criteria to better identify transactions that should be counted towards this target, and Citi Asia Pacific will be contributing in several key areas, for example:

- Financing and investing in companies that are pursuing alternative energies such as solar, wind and geothermal
- Being a key intermediary in carbon emissions trading
- Making private equity investments in renewable and alternative energy, clean technologies, energy efficiency, carbon credit markets, waste and water management and sustainable forestry
- Purchasing 'green power', pursuing Leadership in Energy and Environmental Design (LEED) certification for new facilities and upgrading existing buildings.

## Environmental Footprint

Citi Asia Pacific occupies over 12 million square feet of office/branch space and we are continually working to reduce our environmental footprint through improved management of our real estate, procurement, and energy use.

Reducing our environmental impact is a key performance indicator for Citi Realty Services (CRS), the division responsible for Citi's entire real estate portfolio. However, all Citi Asia Pacific businesses and levels of employees share responsibility for 'Green Citi'.

Key environmental footprint initiatives in 2007 included an energy reduction programme that involved installing automatic lighting and air-conditioning controls; installing energy-saving lights; the introduction of paperless processes; and encouraging employees to turn off lights and PC monitors when not in use. A recycling programme was also run in over 1,000 Citi Asia Pacific locations, with 792 US tons of waste recycled in 2007, a 13% increase over the previous year.



## Below:

Project Candlelight is a Citi Realty Services campaign in Asia Pacific, which educates and encourages employees throughout the year about energy conservation at the office and in the home.

## Environmental and Social Risk Management

Our market-leading globally-applied Environmental and Social Risk Management (ESRM) Policy is a framework that refers to the Equator Principles and the IFC Performance Standards, and helps our bankers in Asia Pacific to evaluate complex and challenging transactions across dozens of industries.

In Asia Pacific, senior credit officers based in India and Hong Kong have been appointed as regional and in-country ESRM Approvers to assist the ESRM Unit in New York with internal outreach and tracking of projects. In 2007, a total of 145 Asia Pacific transactions (such as project finance, project finance advisories, corporate and government loans, and debt and equity underwriting) received ESRM reviews. Of these, 38 were Category A transactions requiring an ESRM Approver to review and approve the transaction in consultation with the ESRM Director.

As part of ongoing ESRM training for our bankers, the first of a series of Forestry and Finance workshops was held in Kuala Lumpur, Malaysia in 2007. The workshop was developed and conducted by ESRM global staff and Rainforest Alliance, a leading environmental NGO, to provide guidance to our bankers on our Sustainable Forestry Policy. The Malaysia workshop introduced participants to critical issues in the forestry sector including illegal logging, deforestation, and relations with indigenous communities, and explained why the implementation of the Sustainable Forestry Policy is a more robust approach to forestry transactions.

**Below:**

Citi Country Officer for Taiwan, Morris Li, and Chief Financial Officer, Susan Aziz planting organic rice seedlings during Citi Taiwan's 'Environment Month' in April 2007 as part of a Society of Wilderness project.

**Socially Responsible Investment (SRI) Research**

In 2007, Citi Australia issued 24 Socially Responsible Investment (SRI) research reports on topics ranging from the impact of climate change to carbon trading and climate change investment opportunities. Examples include:

- *Carbon Trading for Australia: Scheme Detail is Critical to Heavy Industry* (March 2007)
- *Carbon Capture & Storage: Frightening for Some, Opportunities for Others*, (May 2007)
- *Climate Impacts, Adaptation & Vulnerability: Water, Coasts, Ecosystems & Agriculture Require Early Adaptation* (June 2007)
- *Climate Change: Where Business Should Lead: Perspective from Committee for Sydney Forum* (July 2007)
- *Realizing Climate Change Opportunities: Good for Coal or Best for the Rest?* (September 2007)
- *Towards Sustainable Mining 2: Top Ten Hits* (November 2007).

**Consumer Bank Engagement**

In 2007, Citibank Asia Pacific introduced projects to encourage customers to opt for e-statements, thereby reducing paper consumption, as well as providing greater convenience and data security for customers.

In several markets, Citi has partnered with environment organisations to encourage customers to 'go paperless'. For example, Citibank Singapore committed to plant a tree for every 100 new enrolments to e-statements in collaboration with the National Parks Board's Garden City Fund [www.nparks.gov.sg](http://www.nparks.gov.sg). In Korea, savings from the reduction in paper were donated by Citi to support a tree-planting programme organised by the Seoul Metropolitan Government's Seoul Green Trust Movement [english.seoul.go.kr](http://english.seoul.go.kr).



Similar initiatives have also started in Hong Kong, India, Indonesia, Malaysia, and Thailand.

In Australia, Citibank is partnering with BP in an initiative that provides Citibank-BP MasterCard customers with an opportunity to offset their car's greenhouse gases. Since BP launched the BP Global Choice® programme in 2007, it has already offset 1,812,907 tonnes of greenhouse gases, equivalent to taking 355,750 cars off the road in a year.

**Investments in Sustainable Development**

As part of Citi's \$50 billion target to help address climate change over the next ten years, Citi is actively involved in clean fuel investments in Asia Pacific. In 2007, Citi Markets & Banking made a direct investment in excess of US\$100 million in China's leading renewable energy company, Dragon Power Technology Limited, which is also a world leader in biomass power generation and equipment supply.

In 2007, Citi also invested in Sindicatum Carbon Capital (SCC), a greenhouse gas (GHG) emission reduction credits project developer. SCC focuses on reducing GHG emissions from nitric acid plants, coal mines

and landfills primarily in the emerging markets, including China. As a result of these emission reductions, SCC generates carbon credits under the Kyoto Protocol.

**Community Participation**

Citi also supports community programmes in Asia Pacific that help to protect the environment. Citi's Global Community Day on November 17, 2007 had a strong 'green' theme. More than one third of the 211 community projects that employees volunteered for in Asia Pacific were environment-related.

In 2007, Citi Taiwan designated April as 'Citi Environment Month', during which employees and families participated in a series of environmental protection activities including building rest stations for birds in wetland areas, cultivating organic rice, and promoting energy saving. The month-long programme was so well received that Citi Taiwan has made this an annual event.

**Environment Grants**

The Citi Foundation focuses its environment grant-giving on programmes, which promote green enterprises, also known as sustainable enterprises.

**Below:**

One of the 10 finalist enterprises of the 2007 New Ventures China programme, sponsored by Citi, was Zhuhai Huisheng Energy Technology Development Co., which reduces

the energy consumption of large buildings through the use of advanced energy conservation technologies and services including solar panels.

Since 2002, Citi has given US\$725,000 in grants to support New Ventures China [www.new-ventures.org](http://www.new-ventures.org), a joint programme between the World Resources Institute (WRI) [www.wri.org](http://www.wri.org) and Fuping Development Institute [www.fdi.ngo.cn](http://www.fdi.ngo.cn). New Ventures' mission is to accelerate the growth of small and medium companies (SMEs) that contribute to environmental sustainability such as organic foods and fibers, non-timber forest products, renewable energy, and clean technologies. The New Ventures programme provides entrepreneurs with mentoring and technical assistance, links them with potential investors, and provides ongoing sustainable enterprise support through partnerships with local institutions such as the Fuping Development Institute in China.

The 2007 New Ventures China Investors Forum gave 34 of the country's top green enterprises the chance to showcase their business models in front of 280 entrepreneurs, local and international investors, consulting firms, academic institutions, and government organisations. The judging panel included representatives from ASRIA, Booz Allen Hamilton, China Environment Fund, Citi, IFC, and Shanghai Pudong Development Bank. The four most outstanding sustainable enterprises were selected as winners due to their innovative products and services such as toilets with water-free flush systems; credit guarantee services for SMEs with a less than 1% default rate; organic fertilizer that increases crop yields by 15-60%; and biodegradable materials made from discarded straw, shrimp and crab shells. In addition to attracting potential funding for their enterprises, all finalists benefited from up to six months of mentoring and coaching from top business schools in China and the US, such as Tsinghua University and Georgetown University School.



Photo courtesy of Huisheng Energy

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