

2019

ESG at Citi

2019 Efforts at a Glance



Evolution of Sustainable Finance

Financing the Low-Carbon Transition

Looking under the Hood

Driving Diversity through Data

Affordable Housing in the U.S.

Modern Solutions to an Age-Old Problem

Plus more on artificial intelligence, our global headquarters and corporate action





What's Inside



// I have every confidence that, as a company and a society, we will emerge stronger and more committed to the collective good than ever before.

– Michael L. Corbat, CEO

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About This Summary

This is an Executive Summary of our 2019 Environmental, Social and Governance Report, which covers our ESG activities and performance for the calendar year 2019. This summary and the full report highlight how we bring our mission and value proposition to life through our business.

All reporting and performance data are limited to information for the owned and operated facilities of Citigroup Inc. and its subsidiaries unless stated otherwise. Additional information about Citi can be found on our website at citi.com. For more information on Citi's ESG efforts, please visit citi.com/citizenship or contact:

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Highlights

At Citi, we take action to effect positive and meaningful change in our communities. Included here are examples of our impact in 2019. For a comprehensive view of our ESG priorities, read our full 2019 Environmental, Social and Governance Report.

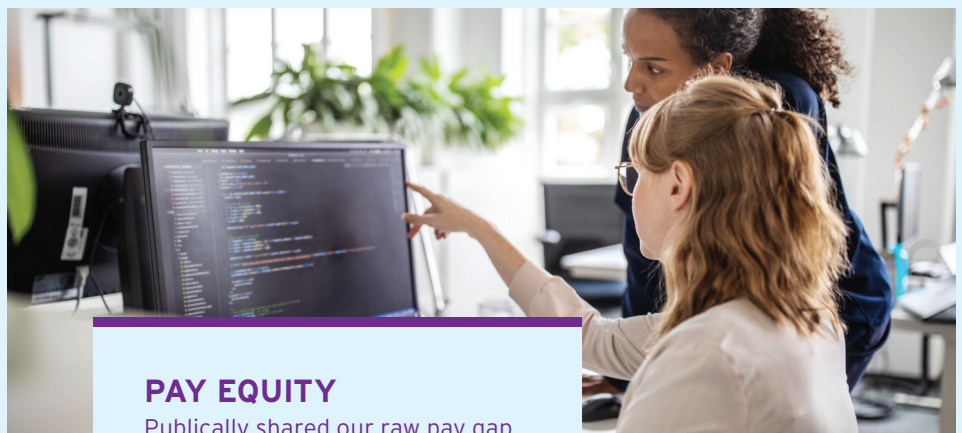
\$194 MILLION INVESTED BY THE CITI FOUNDATION

in tackling youth unemployment through **Pathways to Progress** (2017-2019)

\$150 MILLION FUND TO INVEST

in socially minded startups and companies that strive to have a positive impact on society launched in 2020

Founding signatory of the **Poseidon Principles**, a global framework focused on assessing and disclosing the climate alignment of financial institutions' shipping portfolios



PAY EQUITY

Publically shared our raw pay gap in 2019 and continued transparency around pay equity in 2020

LGBT+ EQUALITY

Joined a group of leading U.S. employers that support the proposed Equality Act, federal legislation that would provide protections to LGBT+ people



\$1 BILLION

in lending toward financial inclusion across the globe over the last decade

CHARITABLE GIVING

\$70 million through Citi businesses and **\$76 million** in charitable giving by the Citi Foundation

\$6 BILLION IN LOANS FOR AFFORDABLE HOUSING PROJECTS

provided in the U.S., making Citi the largest U.S. affordable housing lender for the 10th consecutive year

\$100 MILLION LOAN GUARANTEE FACILITY

along with OPIC and the Ford Foundation, Scaling Enterprise, which provides early-stage financing in local currency to companies that expand access to products and services for low-income communities in emerging markets



First Major U.S. Bank to endorse the Principles for Responsible Banking

Appointed new Chief Sustainability Officer to help integrate sustainability and ESG into every aspect of our business

120,000 CITI VOLUNTEERS

celebrated annual **Global Community Day**, participating in projects in 400 cities across 90 countries

\$164 BILLION FINANCED AND FACILITATED

in environmental finance activity, exceeding our 10-year, **\$100 billion** goal four years early (2014-2019)

» [Read Citi's 2019 ESG Report](#) for more details and a comprehensive view of our priorities





Letter from Our CEO



That businesses will ultimately be more successful and profitable when they take into account the broader needs of society is not a new idea. But that principle gained new traction in the latter half of 2019, when the Business Roundtable gave fresh voice to it. The new statement of corporate purpose said simply that companies should take the interests of *all* stakeholders - including shareholders, colleagues, clients, suppliers and communities - into account when making decisions. Who could have imagined just how urgent responsible companies' commitment to serve the greater good would be, less than a year later?

As I write this letter, we are in the midst of the COVID-19 pandemic, which will have a wide-ranging and long-lasting impact on every part of the world. Our global society and economy are being tested to an unprecedented degree. Managing through this crisis will require the best of what we, as a company and as a society, have to offer. I know that the progress we have made in the past has meaningfully contributed to our ability to weather the present storm and, ultimately, to recover from it.

We know that this crisis is having a disproportionate impact on our most vulnerable communities. To help mitigate

widespread economic distress, our society needs to find better ways to address wealth inequality and provide more people with affordable access to financial products and services. Programs like Cobro Digital (CoDi), launched in Mexico last year, have become increasingly relevant as a means of bridging the gap between the digital haves and have-nots. Today, CoDi is enabling more than 5.5 million digital clients to send invoices and payments using QR codes on their phones at no cost. Citibanamex is one of the leading banks behind this innovative initiative and has had a leadership role since its inception.

We're also continuing to support entrepreneurs through efforts like Scaling Enterprise, a \$100 million loan guarantee facility and joint effort with the U.S. International Development Finance Corporation (the former OPIC) and the Ford Foundation. Scaling Enterprise provides early-stage financing in local currency to companies that expand access to products and services for low-income communities in emerging markets. To complement our lending activities, our new \$150 million Citi Impact Fund will make equity investments in socially oriented startups and companies.

And we continue to champion philanthropic causes to increase economic opportunity. An urgent need is to help narrow the gap between the skills and knowledge many young people have and what they will need in order to succeed in this century. That's why one of our largest philanthropic focus areas is workforce development. Last year, the Citi Foundation completed its three-year, \$100 million Pathways to Progress initiative to invest in preparing youth for 21st century jobs, and we'll soon expand that program with an additional new commitment. Last year, Citi and the Citi Foundation gave \$147 million in grants and charitable contributions.

I know that these efforts will continue and will even accelerate as will the time and dedication that my Citi colleagues pledge to supporting their communities. We have committed to build on the nearly 1 million hours of service contributed by Citi volunteers in 2019, virtually and once we can safely re-engage with our communities.

We also strongly believe that our most important impact comes from our core business activities, including the financing of critical infrastructure, affordable housing, environmental finance and small business lending. The economic recovery will be further strengthened by institutions' commitments to addressing an increasingly acute shortage of affordable housing. Last year, Citi provided more than \$6 billion in loans for affordable housing projects in the U.S., making our firm the largest U.S. affordable housing lender for the 10th consecutive year.


It's also my hope that one outcome of our present predicament will be an even deeper respect for science and a recognition of the investments in technology we will need to make to help our world thrive in the years ahead. Innovation will be essential as we look to confront the many other challenges that critically impact us all - chief among them, climate change.

Our health, our economic success and our environment are all inextricably linked, which is why, despite the current challenges, we must sustain our efforts to fight climate change. In 2019, Citi exceeded our \$100 billion goal to help reduce the impacts of climate change through environmental finance activities around the world more than four years ahead of schedule. Still, we know much remains to be done, quickly, and so we are as committed as ever to bringing our resources and capacity for innovation to bear as we seize the opportunity to even more effectively and creatively tackle this urgent challenge.

Banks have a central role to play, both in helping people and communities through the current pandemic and in the ultimate recovery. At Citi, we will continue working with all

of our clients and customers - individuals, small businesses, companies and governments around the world - to manage the business and economic fallout of this pandemic. We will provide the necessary support, credit and assistance programs that people, institutions and communities will need to rebuild.

I write this letter with the utmost humility, as I know the work ahead will require even more focus, more dedication, more partnership and more commitment than at any time in recent memory. But we will use the lessons of the past and the depth of our partnerships to guide us. I have every confidence that, as a company and a society, we will emerge stronger and more committed to the collective good than ever before. I know our citizens, our companies and our governments are resolved to do nothing less. My colleagues at Citi and I are more than ready to help lead the way.



Michael L. Corbat
Chief Executive Officer

» Citi at a Glance

Responsibly provide financial services



Supporting clients in more than **160 countries and jurisdictions**



Serve as a trusted partner



Digital and mobile at the core of a simpler, better client experience



Create economic value



Diverse workforce close to **200,000** to serve our clients and customers



More than **200** years of experience



Institutional Clients Group

Largest proprietary global network, with a client base of **13,000** and a presence in **more than 90 countries**

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

Serves more than **90%** of global Fortune 500 companies



Global Consumer Banking

Serves more than **110 million** customers

Digital leader in credit cards, retail banking and wealth management across **19 markets**

Strategic focus on the U.S., Mexico and Asia

Our approach to positive impact



Executing a business model that adds value to society



Reporting transparently and learning through dialogue



Taking a stand on issues that matter and driving solutions



Maintaining a focus on ethical decision making and responsible business practices



Catalyzing innovation through strategic philanthropy and employee engagement

Financing the Low-Carbon Transition

By Val Smith,
Chief Sustainability Officer





The world is running out of time to tackle our greatest challenge: climate change.

According to the Intergovernmental Panel on Climate Change, to limit global warming to below 2° C, we need to reduce greenhouse gas (GHG) emissions to net zero by 2050. And to do that, the world has to cut GHG emissions to 45 percent below 2010 levels by 2030. As it stands, we are not on track to meet that goal.

When Citi launched its \$100 Billion Environmental Finance Goal in 2015, the world looked different from the way it does today. There has been a shift, a call to action from climate scientists, as well as from investors and stakeholder groups. When Citi reached the goal in 2019 – four years early – I felt both pride and apprehension. I felt pride in this achievement with our clients and in the faster-than-expected growth in environmental finance markets, but also felt apprehension in knowing this progress was not enough. The need for more aggressive action and the increased scrutiny on the finance sector, as both a driver of climate solutions and a keeper of climate risk, make for tough waters for financial institutions to navigate as we are called upon to address climate change head on.

How do we address this challenge at Citi? It starts by acknowledging the problem. We know that economy-wide, systemic change is required. But without a plan, our society's transition to low carbon could be monumentally disruptive, to the economy, to companies and, most important, to communities.

As the world's most global bank and a financier of high-carbon sectors that are both the cause and potentially the solution to climate change, we have the challenge and the opportunity to be the world's leading bank in driving the transition to a low-carbon economy. This work is built on helping our clients achieve their sustainability goals, measuring and analyzing the climate risk associated with our client portfolios, and, ultimately, helping our clients drive down emissions through innovative and sustainable financing solutions.

All Hands on Deck

For nearly two decades, Citi has been at the forefront of solutions to big environmental and social challenges. We played a pivotal role in developing the Equator Principles in 2003 and in working with other banks to craft the Green Bond Principles in 2014. Most recently, we helped to develop the Poseidon Principles – a global framework to reduce emissions within the shipping sector – to incentivize our clients in the maritime industry to decarbonize.

We've learned many things from these and other efforts. One of the most critical is the value of collaboration. We must work with our peers and our clients and ensure that we engage advocacy groups and regulators. In the world's climate war room, we need all of these actors at the table and an all-hands-on-deck approach to designing a low-carbon transition for the global economy. There is simply not enough time to wind down our current carbon-intensive economy and then rebuild a new one driven by low-carbon activities. We need to transition the companies we rely on now – to help those that are responsible for GHG emissions transform their businesses.

Our global footprint and experience in financing both carbon-intensive and low-carbon sectors give us a unique vantage point to see opportunities from all sides and actively finance and advise our clients

in driving solutions for a low-carbon transition. We recognize that our clients are at different stages in their sustainability journey but that the finish line is the same for everyone. We meet them where they are, and work with them to achieve their goals using innovative financial solutions. The transition will require not just financing green activities, such as wind and solar projects, but also helping carbon-intensive clients move from "more brown" to "less brown" along the path to low carbon.

Leveraging Sustainable Finance Innovations for Transition Finance

The development of sustainable financial products has increased significantly in the last decade and continues to grow. Recently, we've seen some breakthrough financial instruments that link to sustainability performance.

For example, sustainability-linked loans, in which the borrower's interest rate rises or falls depending on whether the company meets sustainability targets that have been agreed upon with the lender, have grown into a market valued at around \$34 billion. If a borrower meets an ambitious emissions reduction target, the cost of credit is reduced. But if a borrower misses its targets, it has to pay more. These loans can help companies link their financing terms to their ability to generate positive outcomes.

Bonds that support the UN Sustainable Development Goals (SDG), or SDG bonds, are another example. This is a new scalable product pioneered by the Italian utility Enel, a leader in the renewable energy space with an ambitious decarbonization strategy. This US\$1.5 billion bond issue is the first general corporate purposes bond to be linked to sustainability performance indicators. Citi acted as joint active bookrunner on the transaction, which offers a unique step-up



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feature, a one-time interest rate step-up of +25 basis points triggered if Enel's renewable installed energy capacity target of 55 percent is not met by the end of 2021. This concept of an SDG-linked bond has set a new precedent in the international bond market and moved the market forward in tying financial terms to sustainability performance.

These mechanisms, as with many other sustainability instruments that have entered the market, have their critics, some claiming they can result in "greenwashing" or are an attempt to exaggerate a company's environmental commitments or benefits. Fortright disclosure and transparency in sustainable and transition finance are important in countering this concern. But I believe that these products are a training ground for the transformation of finance, whereby all of our financial products are being re-imagined to accelerate the green and transition finance that will be required to meet the world's ambitious 2050 climate goals.



Embracing Transformational Risk Management

In addition to transformational finance, we have to embrace transformational risk management. The field of climate risk assessment is undergoing rapid advancement, as banks expand their risk management approach to include not just their financial risk from climate change but also a reckoning of how they are contributing to climate risk. The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) are revolutionizing the way banks assess climate risk, from incorporating climate scenario analysis to understanding how to measure carbon associated with their client portfolio. If financial institutions are to succeed in the fight against climate change, it will require the use of complex tools to understand the implications of climate change on our clients and our own institutions and the courage to have tough conversations about the need for change.

While these efforts are gaining ground, a fundamental challenge persists. We need to rally together - across our competitive space and across sectors, with leaders from the green economy and the brown economy working together to drive solutions. However, this collective action is not going to be possible without public policy to lay the guardrails. Citi was an early supporter of the Paris Agreement, and our company has continually stated our support for pragmatic but forward-leaning climate policy that establishes a price on carbon, is globally interconnected, and uses a combination of carrots and sticks to help push us toward the future we all want.

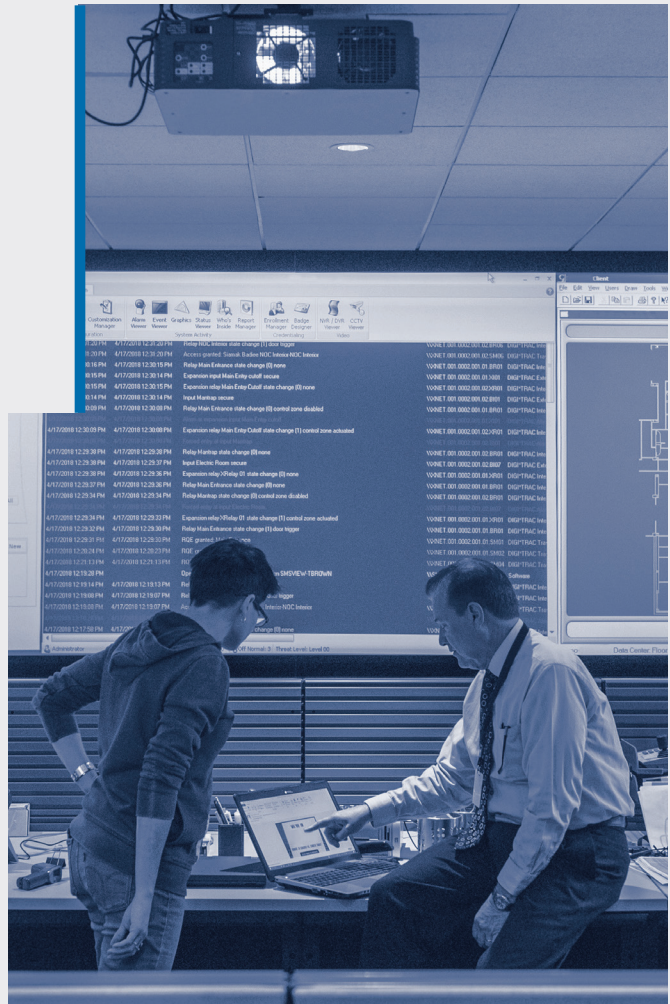
We have many of the tools necessary to start driving the low-carbon revolution and transition the economy - from breakthrough financial products to clearheaded climate risk assessment. But our success will hinge on our ability to imagine this alternate future and leverage these tools together, with an equal dose of inspiration and resolve to get us there.

Ethical Artificial Intelligence

It's been over 60 years since scientists coined the term "artificial intelligence" (AI) as shorthand for their efforts to make machines that emulate higher-order human capabilities. Writers had long imagined robots that could think, but it would take decades more for AI to break out of a seesaw of rising and falling interest.

Today, AI has become pervasive across industries and drives everything from facial recognition and natural-language processing to real-time social media curation or medical diagnostics. Citi and other banks are increasingly investing in, developing and leveraging AI to enhance our use of technology, from improving the customer experience and streamlining customer service to strengthening anti-money laundering, financial credit scoring and fraud prevention processes. AI's rapid adoption, however, has raised complicated ethical considerations. For example, AI is increasingly used in sensitive areas, such as hiring and criminal justice, to make processes not only more efficient but reduce the impact of human bias. However, the data and algorithms that drive AI are not necessarily immune to bias, and protecting against biases that can be embedded in and scaled by AI is critical to its effectiveness and trustworthiness. As the leading global bank, Citi takes our AI responsibilities to heart. And, as a result, in 2019, we became one of the first private sector companies to develop

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our own set of ethical principles for AI and machine learning, which are in the final stages of review. These seven principles, which aim to ensure effective governance, risk management and responsible innovation in our use of AI, were developed in partnership with colleagues from across Citi businesses and are rooted in our mission and ethical standards set out in our Code of Conduct.

The public sector has long taken an active interest in the issue, and governments around the world made 2019 the year of ethics in AI. Singapore led the way with an ethical-use framework, soon followed by the 28-nation European Union. Forty-two countries then signed up to a similar set of principles from the Organisation for Economic Co-operation and Development. Faced with this growing number of national and international efforts to set guardrails, we created our framework – which complements our robust global processes for technology work in general – to allow us to leverage the incredible power of AI for the benefit of our customers and stakeholders while keeping potential ethical risks at bay.

Diversity

Driving Diversity through Data



By Sara Wechter,
Global Head of Human Resources



“You can’t manage what you can’t measure,”

is a well-known adage that our CEO Mike Corbat uses often. It informs many of the business decisions made across our firm. Diversity is no different.

And beyond just measurement, transparency is extremely important. That’s why Citi is making good on our commitment to disclose our continued progress on pay equity and representation.

A recently updated analysis of our unadjusted or “raw” pay gap for women globally and U.S. minorities found those numbers had moved slightly but in the right direction in 2019, to 73 percent for women and 94 percent for U.S. minorities - with those numbers at 71 percent and 93 percent, respectively, in 2018. For us, the data reaffirms the importance of goals we announced two years ago to increase our representation of women and U.S. minorities in senior and higher-paying roles at Citi. We know that is the only effective way for us to meaningfully reduce our raw pay gap over time.

With close to 200,000 employees around the world, we won’t create the diverse and inclusive culture we are striving for and increase senior-level representation through policies, goals and programs alone. We need to tell people what we’re working toward and encourage ownership - by employees at all levels across the firm.

To do so, we are working with managers to help them be intentional about how they delegate high profile assignments so that everyone gets to do their best work and meet their professional goals. And we are training managers to understand unconscious hiring bias so that we can ensure the diversity of our teams.

Beyond all this, I am most excited about the work under way to get under the hood to examine what employees and recruits are or are not experiencing. In 2019, we built out our people analytics and insights capabilities to help better understand how to attract, retain and promote top talent and provide data-driven insights that can drive change in the makeup of the firm.

One of our initial projects was enhancing our employee survey, what we call Voice of Employee (VOE), adding more questions related to experiences



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and perceptions. Our VOE survey is one of the most important tools we have in understanding our employee experience and signals that we care about how their experiences differ. This feedback, when layered with the demographic information we have, helps us understand where we need to focus.

Learning, Improving, Sharing

Recognizing that there is a gap is important, but, effective action isn't possible until you understand the root cause. That's part of why our efforts to collect and analyze more data are so critical.

For example, we found valuable insight in a recent attrition study of employees, based on their VOE responses prior to leaving the company. We know that VOE sentiment can predict attrition up to three years in advance and, generally, the predictors are largely the same for men and women. However, men and women in more senior roles seem to leave for very different reasons. Senior-level women focus on items related to the company and leadership, while men focus more on their relationship with their manager. Understanding this disparity is an opportunity for further exploration and it highlights areas where we can focus.

» Workforce Diversity Highlights

51%

of our total employees globally are female

(101,155 people)

26%

of our managing directors and directors globally are female

(2,414 people)

47%

of our U.S. workforce are minorities

(29,186 people)

30%

of our U.S. managing directors and directors are minorities

(1,394 people)

This study is one of many underway and offers the ability to either validate external research to see if it's true for Citi as well or glean unique insights about our own workforce. Collecting and analyzing data give us a better understanding of what works and what doesn't, which will undoubtedly improve the way we approach diversity company-wide.

The Hidden Power of Hiring Bias

In companies around the world, managers often hire applicants with skills similar to those of the person who previously held the position. This strategy often reflects hiring bias and prevents a company from hiring individuals with new or nontraditional skillsets, which can lead to a lack of diverse hires. The trend can also yield hires who may be a culture match but not a cultural add, the latter of which is more important when it comes to driving a company's diversity – and success.

It's also quite typical for managers to hire for similarity – that is, unconsciously or otherwise, they look for candidates with comparable interests, professional and educational backgrounds, social markers and

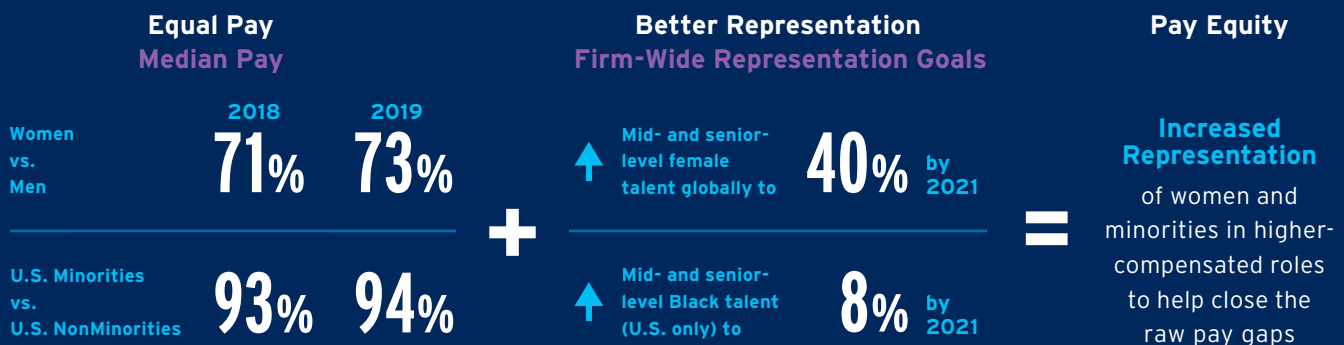
other qualities. By favoring candidates with shared experience, managers can blindly disregard those with a skillset that's more conducive to doing the job well.

To tackle these challenges, we hold unconscious bias training sessions and host internal panels with a diverse range of voices, all with an eye toward encouraging our people to institute more even-handed hiring processes. Citi is also expanding the scope of hiring searches, in part by stepping up recruitment efforts at historically black colleges and universities (HBCU) in the U.S.

In 2019, we piloted a new approach to engaging HBCUs. We held our inaugural HBCU Innovation and Leadership Symposium, which brought together 85 first- and second-year students from 21 historically black colleges and universities for an introductory experience focused on helping students of diverse backgrounds understand financial services, gain technical skills and kick off the career planning process. The two-day immersive experience gave participants an opportunity to network with HBCU students from across the U.S. and participate in workshops to share and discuss the rich experiences of professionals at Citi. While we would certainly like the students

» Raw Pay Gap Data

Citi was the first company to disclose the aggregate measure of total compensation (i.e., all men vs. all women, all U.S. minorities vs. all U.S. nonminorities) across all employees regardless of role.



to consider the possibility of a future with Citi, our primary goal was to provide them with helpful tools on their path to professional success without regard for industry or profession.

Uneven Opportunities

Even when underrepresented individuals join organizations, they may face a lack of opportunities compared with their white male counterparts. The same dynamics that generate hiring bias can take root as senior leaders – again, consciously or otherwise – assign new projects and give increased responsibility to individuals with similar backgrounds and experiences.

When someone doesn't have the chance to work on high-profile, challenging assignments, it can be difficult to build the skills and body of work necessary for promotion.

To combat this, we are creating development plans for high-potential female and minority employees at all levels and especially in the middle of the organization. Various groups across the firm also invest in development programs that not only help us cultivate the skills of our diverse talent but provide exposure to senior leadership and opportunities for mentorship that can lead to advancement.

While the change we want to see in our diversity across the firm is not immediate, these data-informed insights are driving notable improvements toward our ultimate end goal: a diverse community of committed and thriving employees all working together to enhance the work of Citi.



Spotlight

Re-imagining Our Global Headquarters

The renovation of our global headquarters in New York City, which began in 2015 and will be completed in 2020, has united two formerly disparate buildings into a modern and highly sustainable 2.7-million-square-foot campus. The re-imagining of this space is also the largest owner-occupied renovation ever done in New York City.

Unifying the buildings, both internally and externally, while meeting our ambitious goal to create an open plan workplace that meets the highest standards of sustainable design, was a challenging task.

Sustainable design is present throughout the renovation with key aspects helping us to reach our environmental sustainability goals, including LEED Platinum certification. We incorporated biophilic design elements – those that draw on the principles of nature – into the renovations and we worked to maximize efficiency and make the space as natural as possible, which is not only better for the environment but also beneficial to our employees.

The new space represents an evolution from our traditional workplace, where employees were once separated by office doors and cubicle walls, to an open design that includes numerous workspaces to accommodate different work styles and foster collaboration. The Town Square is at the heart of this cultural transformation, nearly the size of Grand Central's Main Concourse, which is the primary circulation point through which all space is accessed.



Our commitment to our employees' well-being was also top of mind during the redesign. A dedicated outdoor air system brings 100 percent fresh air into the building, which is blanketed in abundant natural light thanks to the open spaces. The building also features a state-of-the-art fitness facility, a wellness medical center, 10 Mother's Rooms, eight meditation rooms and two prayer rooms. A childcare center will be opening in late 2020.

Last but not least, the renovation has enhanced our connection to our local neighborhood. Previously, only a fraction of our plaza's 50,000 square feet welcomed the public. The plaza, now fully accessible to the public, was re-imagined to create an open park with varied seating, a unique water feature and seasonal plantings. Further connecting us to the community is our 400-plus seat auditorium, which can be reserved for charitable programs and community events. We have also contributed \$10 million to the Hudson River Park Trust, a longtime Citi partner, to develop a public park at Pier 26, which is located across the street from our headquarters.

» Select HQ Sustainability Features

30%

reduction in CO₂ emissions thanks to a gas-fired co-gen plant that supplies nearly half of our power needs while capturing and reusing the heat byproduct

12%

electricity reduction requirement through the use of LED lighting with sensors that adjust to daylight and floor occupancy

2M

gallons of water captured annually with water retention tanks to meet 100 percent of irrigation needs

Up to

40%

water reduction with plumbing fixtures such as dual flush toilets and faucet controls

86K+

reduction in plastic bottle usage each month through the use of water bottle filling stations

Affordable Housing

Modern Solutions to an Age-Old Problem

By Ed Skyler,
Executive Vice President, Global Public Affairs



85%

That's how many Americans believe it should be a "top national priority" to ensure everyone has a safe, decent and affordable place to live, according to the National Low Income Housing Coalition.

The public opinion poll reflects an admirable collective attitude that often isn't demonstrated in practice. Indeed, while most people support affordable housing in the abstract, many oppose projects that affect their communities directly. Opponents of affordable housing development in their communities (or "NIMBY" – the moniker of those who are quick to say "Not in my backyard") often prevent affordable housing initiatives and in doing so, subtly reinforce segregation in neighborhoods and entire communities.

Changing Attitudes with Education

Research shows that developing affordable housing units, especially in lower-income areas, can decrease blight, lower crime and revitalize neighborhoods – all while reducing rent in large cities and allowing more diverse communities to grow.

At Citi, we're trying to prevent cases of NIMBYism that stymie the projects that yield this sort of progress and, in the process, contribute to the nation's housing crisis. To do so, we're working to shift negative attitudes around affordable housing while supporting organizations and initiatives that help provide low-income individuals with a comfortable home that doesn't cause a heavy financial burden.

From partnering with and funding technical assistance for the National Fair Housing Alliance to working with the Center for Community Progress, which tackles on-the-ground housing challenges in large cities, we're trying to change attitudes through educational initiatives and community involvement.

We're also working hard to support new and creative solutions to the country's growing affordable housing shortage.

Finding Fertile Ground in the Sunshine State

While many would assume that New York or San Francisco is home to the most low-income residents who spend at least half of their income on rent, Miami holds the unfortunate distinction. NIMBYism – paired with high rent, large swaths of vacant land and the growing impact of climate change – has made the city tough to afford for working-class individuals.

That's why Citi supports initiatives like Land Access for Neighborhood Development (LAND), an innovative online tool built in partnership with the University of Miami. LAND maps about 500 million square feet of unused, publicly owned land in the Miami-Dade area to identify viable redevelopment opportunities, especially those that complement the recently proposed Miami Affordable Housing Master Plan and other housing plans put forth by policymakers.

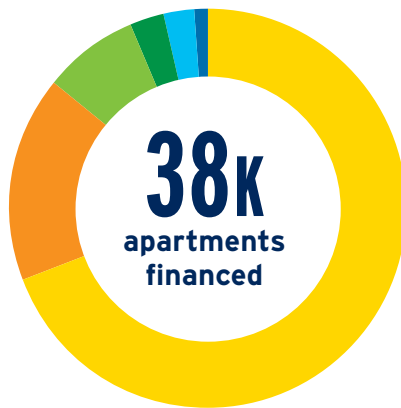
The tool demonstrates that, contrary to what local officials and real estate developers have said, there is indeed enough land available to build affordable housing projects. We're proud to support a technologically advanced, data-backed approach to ensuring that there's enough housing for all Miami residents.



Citi provided more than \$6 billion in loans for affordable housing projects in 2019, making us the leading financier of affordable housing in the U.S. for the 10th consecutive year.

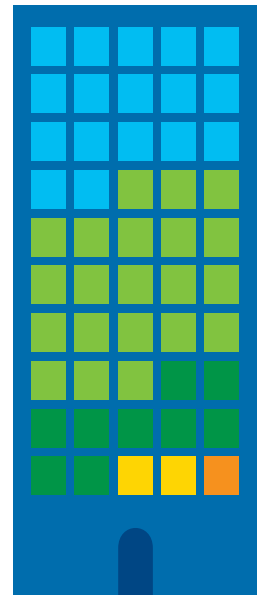
» Housing units created

- 26.1K affordable and mixed income
- 6.3K senior
- 3K RAD
- 1K special needs
- 984 formerly homeless
- 350 veteran



» Projects completed

194
projects
closed

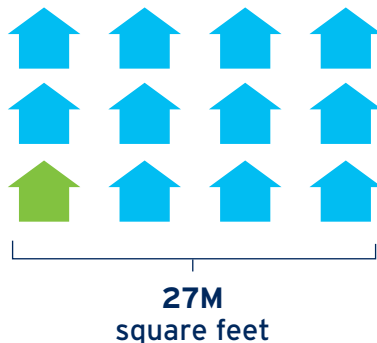


- 65 rehab construction
- 80 new construction
- 36 permanent financing
- 8 acquisition
- 5 adaptive reuse

» Buildings financed

1.6k
buildings
built

- 1,259 buildings
- 341 green buildings



Modern Solutions

To fight a growing problem, Citi is supporting companies and organizations that champion cutting-edge solutions. To that end, we provided \$5 million to Factory_OS, a new venture that builds multifamily rental housing 40 times faster and at a 20 percent lower cost than conventionally built multifamily housing. Based in California, the company crafts structures that, in addition to being well-designed and tech friendly, represent the low-cost, high-quality future of affordable housing. And we know that there are other newer, smaller companies out there that are applying innovative solutions to the housing challenge. That's why we made affordable housing - along with other

critical physical and social infrastructure efforts that improve life in communities - a focus of our \$150 million Citi Impact Fund, launched earlier this year. Through this fund, we will invest our own capital in double bottom line companies driving change.

What's more, to help bring additional housing to the communities that need it - and provide revenue streams for homeowners in the process - Citi supports nonprofits that promote accessory dwelling units (ADU). These are dwellings such as basements, garage apartments or separate free-standing structures that, with a little love and care, can make for a safe and



Inclusive Housing

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According to the Equal Rights Center, about 50 percent of older same-sex couples face hardship when applying for housing. We believe that affordable housing is most beneficial when it's accessible to everyone, which is why we partner with Services & Advocacy for LGBT Elders (SAGE) to help ensure communities are better equipped to support and build more inclusive housing for older LGBT+ individuals. And through our partnership with True Colors United, a nonprofit that fights LGBT+ youth homelessness, we're collaborating with community groups and local governments to meet the needs of at-risk youth.

Finding affordable housing can also be difficult for veterans, many of whom face mental health challenges, combat-related injuries and struggles with substance abuse. The U.S. Department of Housing and Urban Development estimates that about 40,000 veterans are

homeless across America. We're trying to reduce that number by improving veterans' access to affordable housing, and, in doing so, helping them transition back into civilian life.

To that end, for the past eight years, we've supported the Bring Them HOMES initiative, which finances and advocates for affordable housing options for veterans. Through this project, about 3,100 units have been built or are in development for our country's heroes.

» **Citi supports Bring Them HOMES initiative, which finances and advocates for affordable housing options for veterans. Through this project, about 3,100 units have been built or are in development for our country's heroes.**

comfortable home. In Washington, D.C., for example, we work alongside the nonprofit United Planning Organization, which teaches residents how to take advantage of zoning requirements that allow the use of ADUs.

Another innovative avenue for affordable housing is adaptive reuse and Rental Assistance Demonstration (RAD) programs, through which public housing agencies can work with private organizations to invest in public housing. In 2019, we provided financing that enabled the creation of nearly 3,000 apartments nationwide through RAD.

Fighting for an Affordable Future

Citi provided more than \$6 billion in loans for affordable housing projects in 2019, making us the leading financier of affordable housing in the U.S. for the 10th consecutive year. That's something of which we're proud, but we know that providing affordable housing options for all won't happen overnight. We're eager to take the lessons we've learned and use them to drive positive change across the country.

As we continue to facilitate development, make housing accessible nationwide and push to eliminate misinformed stigmas around affordable housing, we're looking forward to a future in which everyone has a place they're proud to call home.

Spotlight

From Corporate Voice to Corporate Action



Increasingly, companies are recognizing that focusing on social purpose and operating in the best interest of society is critical to their long-term success. This sentiment has manifested, at least in part, in companies using their voice – taking a stand on the issues that matter to employees, clients, investors and communities.

Recent polling by the Global Strategy Group indicated that 92 percent of people in the U.S. believe that it is important for companies to take a position on issues that are in line with their values. For many years, that has been true for us at Citi as well, issuing statements on a range of issues, from climate change to wealth inequality and from diversity and inclusion to firearms. Beyond just taking a position, 81 percent of people believe that corporations should take action to address the important issues facing society. For these individuals and for corporate critics, words are promising but mean nothing if they don't lead to action.

At Citi, we agree. We know we have a responsibility to put the strength of our business behind our corporate voice. And we must continue to challenge ourselves to think about what more we can do to actually drive solutions. For example, establishing a firearms policy in the U.S. in response to gun violence; expanding inclusive workplace policies and advocating for LGBT+ equality; being transparent about the results of our pay equity review and our unadjusted pay gap; and working with the shipping industry to help reduce its carbon footprint – all of these are actions that are driving solutions and demonstrating our commitment to society.

Regardless of the issue, we all can agree that there's much to be done, and all of us need to accelerate our pace. When we are ahead of the pack, we need to work to bring others along, and when we're lagging, we need to learn from our peers and push ourselves to do more. Moving the needle on complex social issues is no small feat. We recognize that many of the biggest societal challenges are part of a significant economic and social transition that will take years – in some cases generations – to come to fruition. Corporations, though, hold tremendous power, and that power requires that we take a leadership position and play a meaningful role in addressing the numerous challenges facing society today.



We know we have a responsibility to put the strength of our business behind our corporate voice. And we must continue to challenge ourselves to think about what more we can do to actually drive solutions.

Our Approach to ESG

In our full 2019 Environmental, Social and Governance Report, we share many individual stories of progress – how as a bank, employer and philanthropist, Citi catalyzes sustainable growth – with a focus not on short-term fixes but on broader systemic changes. Read the full report at citi.com/citizenship.



Executing a Business Model That Adds Value to Society

Our core businesses, and the financial innovation that is inspired by our drive to serve clients and solve society's greatest challenges, are fundamental to our mission to enable growth and progress.



Maintaining a Focus on Ethical Decision Making and Responsible Business Practices

Ethical business practices are central to the success of the entire financial services sector. We place significant emphasis on understanding, improving and fully integrating ethical and responsible practices in everything we do.



Taking a Stand on Issues That Matter and Driving Solutions

Companies are expected to leverage their corporate voice to benefit society. We take a stand on issues that matter to our employees, clients, investors and communities. Where we can, we work to be part of the solutions.



SUSTAINABLE DEVELOPMENT GOALS

Sustainable Development Goals

Citi has an important role to play in helping to finance the SDGs and the estimated \$5 trillion to \$7 trillion annual global development need. Since 2016, we have reported on how our activities relate to the seven SDGs upon which we can have the greatest impact, and we indicate relevant information throughout our full Citizenship Report.



Reporting Transparently and Learning through Dialogue

We need to communicate what we are doing and engage in dialogue to understand what more can be done. We are committed to improving our reporting efforts and the way in which we engage stakeholders in all of our activities.



Catalyzing Innovation through Strategic Philanthropy and Employee Engagement

We support a variety of philanthropic causes and develop partnerships with community organizations to catalyze change through innovative and efficient solutions. We increase our impact by encouraging our colleagues to volunteer.



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