

Introduction

This statement is made by Citigroup Inc. on behalf of Citigroup Global Markets Limited, CIB Properties Limited, Citigroup Centre 1 Limited, Citibank N.A., London Branch and Citibank Europe plc, UK Branch. For the purposes of this statement, the aforementioned entities shall collectively be referred to as “Citi.” The statement is made in accordance with section 54 of the Modern Slavery Act 2015 and covers the financial year from January 1, 2016 to December 31, 2016.

This statement summarizes Citi’s current approach to modern slavery and sets out what action we plan to take in the coming year in respect of our business and supply chain. We know that eradicating slavery, human trafficking, servitude and forced labor (“modern slavery”) presents a global challenge for governments and business. As a global financial institution, we recognize our responsibility to be aware of the risks of modern slavery within our own organization and supply chain and to do our utmost to contribute to its eradication wherever we have effective leverage to work towards that goal.

1. Citi’s business and supply chain

Citi’s mission is to serve as a trusted partner to our clients by responsibly providing financial services that enable growth and economic progress. Globally, our core activities are safeguarding assets, lending money, making payments and accessing the capital markets on behalf of our clients. In the United Kingdom, our business focuses on private wealth management and investment services, commercial banking and multi-currency banking. Citi has approximately 200 million client accounts and approximately 219,000 employees and has operations in nearly 100 countries. As we conduct business in many countries, our supply chain is vast and diverse.

For more information about our business, please see our [website](#), [Annual Report](#) and [Enterprise Supply Chain page](#).

2. Citi’s governance, policies and procedures related to modern slavery risks

a. Governance

Citi has traditionally managed environmental and social risks, including human rights and labor issues encompassing forced labor and child labor, through our centralized Corporate Sustainability team and Environmental and Social Risk Management (ESRM) team, which sit within Citi’s Global Public Affairs and

Institutional Clients Group Risk functions respectively. Our Enterprise Supply Chain (ESC) organization is responsible for global supply chain practices across different regional teams.

These functions work collaboratively with other enterprise functions at Citi, as well as independent consultants, to ensure our policies and procedures meet national legal requirements where we do business while respecting internationally recognized human rights and associated standards.

To learn more about Citi's values, governance structure and policies on human rights and other social and environmental issues, please visit the Environmental and Social Information section of our [Corporate Governance page](#).

b. Policies and principles relevant to modern slavery

Prior to the enactment and entry into force of the UK Modern Slavery Act 2015, Citi had issued statements and created policies in relation to human rights and labor issues that encompass our commitment to contributing to the work of eradicating practices constituting modern slavery, including:

- Citi's [Statement on Human Rights](#), which expresses our support for the protection and promotion of human rights, including those in the United Nations Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, which encompass forced labor and child labor;
- Citi's [Environmental and Social Policy Framework](#), which applies our commitment to environmental and social issues to our financing of our clients' activities;
- Citi's [Statement of Supplier Principles](#), which communicates our expectations on human rights and labor issues to our suppliers;
- Citi is also a signatory to the United Nations Global Compact, whose Ten Principles include the elimination of all forms of forced and compulsory labor and the effective abolition of child labor. In addition, Citi supports the United Nations Guiding Principles on Business and Human Rights (the "UN Guiding Principles") and is working to internally implement the corporate responsibility to respect human rights. For more on our efforts to implement the UN Guiding Principles, see the "Human Rights" section of our [2016 Global Citizenship Report](#).

c. Efforts to improve our policies, procedures and contractual terms

As part of our commitment to combating modern slavery, we have been conducting a review of key policies, procedures and contractual terms for suppliers and are in the process of taking the following steps:

- Reviewing Citi's **Statement on Human Rights**, so that our opposition to all forms of modern slavery in our operations and throughout our supply chain is explicit;
- Reviewing Citi's **Statement of Supplier Principles** to ensure that it clearly expresses to our suppliers our expectations regarding all aspects of modern slavery;
- Reviewing Citi's **Standards for Suppliers** to ensure that it sets out the standards that our suppliers are expected to comply with in relation to modern slavery. The Standards for Suppliers is intended to facilitate compliance by suppliers with Citi policies and requirements in the course of providing services to Citi;
- Reviewing Citi's **Environmental and Social Policy Framework** to ensure that it addresses modern slavery and that indicia of modern slavery are included in our due diligence of client transactions subject to the policy; and
- Reviewed our standard contractual terms for new EMEA (Europe, Middle East and Africa) suppliers as set out in our core Master Services Agreement templates for goods and services and updated them to include specific provisions in relation to modern slavery.

d. Training

In addition to the above, in-person training and awareness sessions have been delivered to our key EMEA ESC (Enterprise Supply Chain) Sourcing and Third Party Management colleagues in relation to modern slavery to provide an awareness of the matter and describe actions they can take to help us tackle the problem. Similar sessions are also being delivered to relevant EMEA Human Resources teams by EMEA Employee Relations.

3. Risk assessment and due diligence processes

Reflecting the UN Guiding Principles, our due diligence activities to combat modern slavery are risk-based. Based on initial assessments of our business and supply chain, our understanding is that the primary risks for modern slavery reside in our supply chain. However, we have also initiated a risk assessment to help us to identify and prioritize the most severe human rights impacts related to our clients' activities and to engage with our clients on these issues. As described below, we have existing due diligence processes in place with respect to both areas, which we continued improving upon in 2016:

- **In our supply chain:** As part of our current efforts to assess whether our suppliers meet our wide range of human rights and sustainability standards, where appropriate we currently require their

completion of a Citi Corporate Responsibility Questionnaire (CRQ) which is managed by our Citi Supply Chain Development, Inclusion, and Sustainability team. In 2016, we initiated an update of the EMEA CRQ and related processes across regions and have successfully completed the update of the EMEA questionnaire with several additional questions related to modern slavery. Furthermore, with the assistance of external advisors, we are undertaking a supply chain risk assessment which is looking at over 1,300 of our key EMEA suppliers sampled across various functions. We are benchmarking using key information such as the supplier type and geographical location and we are also reviewing this against independent and regulatory employment risk assessment resources. The results will produce supplier risk ratings enabling us to prioritize future due diligence within our supply chain. We will be reviewing any potential higher risk EMEA relationships based on our risk assessment process outcomes, and determining the extent to which it is appropriate to take any further measures to address the risks of modern slavery where we have a direct relationship with those organizations.

- **In our clients' activities:** Citi's [Environmental and Social Risk Management Policy](#) prohibits Citi from directly or indirectly financing projects or activities involving harmful or exploitative forms of forced labor and child labor. In 2016, Citi initiated a portfolio-wide human rights due diligence process that expanded our review of our institutional clients' activities to include broader evaluation of the most salient human rights risks inherent to all sectors across our portfolio, including risks of modern slavery. Our risk assessment is carried out with the assistance of third-party data providers and in consultation with various external NGO stakeholders and industry experts. These sources help us to identify and prioritize the most severe human rights impacts related to our clients' activities, including various practices related to modern slavery present in diverse industries. Based on these assessments, we have initiated a process of engaging with our clients—which, in line with the UN Guiding Principles framework, is based on a prioritization of the most severe human rights impacts related to client activities—to identify areas where we might be positioned to use our leverage to influence performance on risk identification, prevention and mitigation.

4. Improving effectiveness

As part of our efforts to improve on the effectiveness of the steps we have taken above, we will evaluate additional steps during the course of the 2017 financial year. This will include exploring opportunities to expand the type of training required for key staff in relation to the Modern Slavery Act and modern slavery risks as well as identifying ways to engage appropriately with higher risk suppliers based on our risk assessment process, to make them aware of our zero tolerance approach to modern slavery and encourage them to adopt their own measures to minimize the risks of slavery and trafficking within their own organizations and supply base.

UK Modern Slavery Act Statement (FY2016)



Signed by:

This statement has been approved by the boards of directors of Citigroup Global Markets Limited, CIB Properties Limited, Citigroup Centre 1 Limited, Citibank N.A., London Branch and Citibank Europe plc, UK Branch, and their ultimate parent company, Citigroup Inc., who will review and update it annually.

A handwritten signature in black ink that reads "Michael L. Corbat".

Michael L. Corbat
Chief Executive Officer, Citigroup Inc.
June 23, 2017