

# Citi Statement of Supplier Principles

Citi and the global private sector have a tremendous opportunity to address global ethical, social, and environmental challenges through our core business operations.

Citi understands that as one of the largest financial services institutions in the world, we should lead by example. Citi aims to advance human dignity, reduce waste, improve efficiency, and reduce our carbon footprint, and we encourage these same best practices among our diverse base of suppliers. Citi recognizes the importance of integrating ethical, social, and environmental factors into our global procurement practices. Our goal is to drive excellence in these areas throughout our own institution and to positively influence our supplier institutions.

We recognize that sustainable business practices are not static but continually evolve. Our goal is to construct a flexible and sustainable supply chain initiative that will be continually enhanced with new knowledge and expanded levels of excellence.

Our sustainable supply chain initiative is anchored by the aspirational guidelines we have set forth in this Statement of Supplier Principles. We support adoption by our Suppliers of goods and services of their own codes or statements of best practices that include the following principles and core elements: Ethical Business Practices, Human Rights in the Workplace, Environmental Sustainability, Management Systems, and Implementation. We offer these principles with the knowledge that many of our suppliers have been pioneers in establishing robust supply chain standards and best practices. We acknowledge and thank these Suppliers for their leadership and example in establishing guidance and best practices.

As Citi has always required, our Suppliers must comply with all applicable laws, regulations and standards in the countries in which they operate. We recognize that the standards set forth in this document may differ from local laws and customs, and we expect suppliers to respect these standards within the context of the laws and cultural norms of their particular geography. This Statement of Supplier Principles is designed to complement similar internal standards that our suppliers may have implemented already or may be working towards. We pledge to work with our Suppliers towards these shared goals and encourage our Suppliers to continually improve their operations as is practicable under each Supplier's unique circumstances.

## **I. Ethical Business Practices**

Citi aspires to the highest standards of ethical conduct. We expect our Suppliers to aspire to these same standards in their business practices and daily interactions and to develop management training and implementation programs to assure that all employees and agents understand and adhere to these standards.

**A. Business Integrity**

The highest standards of integrity should be upheld in all business interactions. Any and all forms of corruption, extortion and embezzlement are unacceptable.

**B. Transparency**

Information regarding business activities and performance should be informative and disclosed in accordance with applicable regulations and prevailing industry practices.

**C. Community Engagement**

Community engagement is encouraged to help foster shared understanding and social and economic development.

**II. Human Rights in the Workplace**

Citi supports the protection and preservation of human rights around the world and is guided by fundamental principles of human rights, such as those in the United Nations Universal Declaration of Human Rights and the International Labour Organisation (ILO) Core Conventions regarding child labor, forced labor, freedom of association, the right to organize and bargain collectively, equal pay and non-discrimination in the workforce. Our support for these principles is reflected in our policies and actions towards our employees, suppliers, clients and the countries where we do business.

Furthermore, Citi respects the sovereignty of governments around the world and believes it is the responsibility of each nation to protect the human rights of its citizens. We realize, however, that the laws of some countries where we do business differ from some global standards of human rights. In such circumstances, we expect our Suppliers to comply with local law and at the same time to strive to adhere to Citi's standards.

Citi strives to support human rights through our supply chain by encouraging actions that are consistent with and further the objectives of the [Citi Statement on Human Rights](#), and by using Suppliers whose corporate values are consistent with ours. We consider relationships with our Suppliers to be an opportunity to share best practices and believe in a continual process of learning, improving, and evolving these processes with respect to human rights. These best practices specifically consider:

**A. Freely Chosen Employment**

Workers should not be forced, bonded, indentured, or subjected to involuntary prison labor.

**B. Child Labor Avoidance**

Child labor should not be employed. The term "child" refers to any person under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest.

### **C. Working Hours**

Work weeks should not exceed the maximum set by local law.

### **D. Respect in the Workplace**

Employees should be treated with respect and dignity and work in an environment that is free from unlawful discrimination and harassment.

### **E. Wages and Benefits**

Compensation should comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Employees should be able to earn fair wages, as determined by applicable local law.

### **F. Health and Safety**

Suppliers should provide adequate and safe working conditions and comply with applicable health and safety policies and laws.

## **III. Environmental Sustainability**

As reflected in our [environmental statements and initiatives](#) Citi recognizes that environmental sustainability is integral to good business practices and production of world-class products. Citi also recognizes, as reflected in our [Position Statement on Climate Change](#), that climate change is a major economic, social and environmental challenge globally. Citi has set a target to reduce our own greenhouse gas emissions. We are also working with our clients to provide innovative solutions as they strive to reduce their emissions and monitor progress. We encourage our Suppliers to join us in similar sustainability efforts. Our target for Suppliers is to continuously maintain:

### **A. An Environmental Policy**

We encourage all Suppliers to have an effective environmental policy and to endeavor to achieve this policy using the best available techniques; to implement this policy at all levels throughout the company; and to include a commitment to continual improvement in environmental performance, energy efficiency, and waste reduction.

### **B. Life Cycle Analysis/Implementation**

We encourage utilization of life cycle analysis to minimize a service or product's environmental impact during its entire life cycle by considering the use of recycled material, energy consumption during service delivery, manufacturing and use, material identification, disassembly, choice of material, etc. Operational practices that reduce any environmental burden associated with our activities are promoted. Innovative developments in products and services that offer environmental and social benefits are encouraged.

### **C. Pollution Prevention and Recycling**

We encourage reduction or elimination of waste of all types, including water and energy, at the source, or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials. Water and solid waste generated from operations, industrial processes and sanitation facilities should be monitored, controlled and treated as required prior to discharge or disposal, and recycled to maximum effect.

### **D. Conservation and Resource Utilization Reductions**

To the extent possible, and with continual improvement, we expect implementation of conservation and resource utilization reduction programs to conserve resources and eliminate wastes of all types.

### **E. Hazardous Materials Safety**

Chemical and other materials posing a hazard if released to the environment should be identified and managed to ensure safe handling, movement, storage, recycling or reuse and disposal.

### **F. Air Quality and Emissions**

We expect our Suppliers to implement a reasonable and comprehensive Air Quality Program. Emissions of carbon should be monitored and minimized; emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations should be characterized, monitored, minimized, controlled and treated as required prior to discharge.

### **G. Sustainable Forests**

Forests provide essential goods and services to both local and global communities and markets. Citi is connected with, and committed to, efforts to sustain healthy forest systems. Our Suppliers should take steps to ensure that they do not buy from or contract with any company knowingly engaged in [illegal logging](#).

## **IV. Management Systems**

We encourage our Suppliers to institute targeted ethical, social and environmental programs with effective management systems (e.g., International Organization for Standardization (ISO), Eco-Management and Audit Scheme (EMAS), etc.) that utilize the best available techniques and practices to achieve sustainability and corporate social responsibility at all levels, and to strive to continuously improve their performance. We encourage Suppliers to clearly communicate the contents of this Statement of Supplier Principles, and their own internal standards that meet or exceed these principles, to their employees and contractors, and to offer adequate training, and utilize self-evaluation programs to assure conformity with standards and applicable laws.

## **V. Implementation**

This Statement of Supplier Principles sets forth guidelines for our current and future Suppliers. We encourage all our new and existing Suppliers to aspire to these guidelines and endeavor to make continual improvements. As the intent of this Statement of Principles is to increase ethical business practices and social and

environmental sustainability throughout the supply chain, we will encourage our Suppliers to require their next-tier suppliers to acknowledge and implement parallel best practices and standards of conduct. We further encourage and challenge our Suppliers and their suppliers to offer and innovate new and better products and services reflecting ethical practices and sustainability attributes for Citi purchase at cost competitive pricing.

*This Statement of Principles neither constitutes nor should be construed to constitute a contract and nothing contained or implied herein is intended or shall be construed to create or convey upon any person or entity, including employees, any benefits, rights, actions or remedies.*