



We are members of the human community.

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Expanded Online Information

Citi's comprehensive Citizenship Report 2006 is online <http://www.citigroup.com/citigroup/environment/annualreport.htm>

A good head and a
good heart are
always a **formidable**
combination.

—*Nelson Mandela*
Nobel Peace Laureate 1993

LETTER FROM CHUCK PRINCE

Citi, by virtue of our size and presence in more than 100 countries, holds a very special position within the global community. As such, we clearly recognize what our role is and what our responsibilities are to the betterment of society.

Indeed, the many benefits accrued from our franchise come with these responsibilities. We cannot have one without the other. We are guests in the countries we serve. We have the right to exist, we have the right to expand, we have the right to prosper, but only if we act in the legitimate interests of these countries in how we choose to reside and grow.

There are two ways we can do that. We recognize that our business is an engine for growth. We are integral to the growth of economies and it is very important for us to help create jobs and raise the quality of life. We are profoundly aware that global poverty is one of the compelling moral issues of our day. We also recognize that climate change is a major economic, social and environmental challenge globally. Climate change and global poverty are not unrelated because climate change will disproportionately impact the poorer people and nations of the world. The public and private sector as well as civil society must work together to make progress on both of these issues. On climate change, we have set a target to reduce our own greenhouse gas emissions, and we work with our clients to provide innovative solutions as they strive to reduce their own emissions.

The second way is to be involved in communities and to act philanthropically. Our employees are involved in their communities, and we encourage and help channel their efforts and give generously to community institutions. Citi's global reach is buoyed by the hard work and creative ingenuity of our 325,000 employees. Not only do they work every day to make Citi the financial leader it is, many volunteer their time and personal resources to their communities and to citizenship projects that Citi supports. Active and qualified Citi employees are encouraged to take a paid day off from their job each calendar year to volunteer for the organization of their choice.

Our philanthropic activities positively affect the education and welfare of people in every nation in which we do business. On our first-ever Global Community Day, more than 45,000 Citi employees, their families and friends turned out in 100 countries to put their dedication to their communities to work. This may have been the single largest organized act of global volunteerism in history.

As the world's leading financial services company, we strive to make a difference by delivering innovative products and services to improve the economic prospects not just of the affluent but also of people who historically have been excluded from the financial system.

For example, Citi is a leader in supporting microfinance in the developing world. We do it because it strengthens the underlying framework of local economies — which is beneficial to those countries and will be beneficial to the participants in those financial markets. In the past year, our Citi Global Microfinance business group has developed and marketed a wide range of financial products, working together with leading microfinance institutions, for the “unbanked” and “underbanked” to participate — many for the first time — in the mainstream economy.

We have always driven change in our industry and we continue to set high standards for ourselves in sustainable growth, social outreach, financial education, community building, disaster relief and philanthropy. As co-founders of the Equator Principles — guidelines developed to manage environmental and social issues relating to project finance — we continue to ensure the implementation of these Principles within our business.

At Citi, we are accountable for all that we do. Therefore, we welcome and seek dialogue with our stakeholders and we continue to test ourselves against our own rigorous standards as well as those established by others. You will find feedback from our stakeholders in the comprehensive 2006 Citizenship Report posted on the Web at <http://www.citigroup.com/citigroup/citizen/> and we welcome additional feedback from you on how we are doing.

We have been recognized for our efforts and are pleased once again to be included in the Dow Jones Sustainability World Index and the FTSE4Good Index for 2007, which acknowledge our leadership in setting standards in sustainable growth and in demonstrating exceptional environmental, social and economic performance.

We are committed to delivering shareholder value, coupled with our commitment as concerned citizens of the world to address the environmental and social issues that lie outside the traditional scope of Citi. We want to be known not only for delivering success to our clients, but also for responding to the needs of people and the planet.



Chuck Prince
Chairman and Chief Executive Officer
Citi Inc.



Corporate Citizenship at Citi

Corporate social responsibility is good business. We are committed to building our global business and serving our clients, while at the same time improving the communities in which we do business. As a financial services organization, people entrust us with their wealth, and therefore, with their aspirations for their families. This is an enormous business responsibility and a great opportunity. We, in turn, strive to listen and learn from our stakeholders and take action where appropriate.

We make a positive impact in four ways: operating a profitable business in 100 countries; providing employment and careers for 325,000 people around the world; engaging in philanthropy and volunteerism; and applying the power of our business to expand the reach of financial services and to help finance sustainable development.

Stakeholder engagement continues to be an integral part of our business strategy. We learn from these dialogues, which help us to generate new ideas for policies, products and implementation.

Three examples include the issuance of a statement on climate change; a statement on human rights; and a new approach to helping families who face foreclosure in our U.S. consumer business. The climate change position articulates our views on a global issue that affects us, our clients and communities where we do business.

The Statement on Human Rights describes which human rights issues we believe are most subject to influence by our businesses, and describes our approach to addressing them.

In 2006, our Consumer Business Group formed a partnership in the U.S. with NeighborWorks Center for Foreclosure Solutions, which encourages financially distressed homeowners to seek support by contacting qualified housing counselors. The program will be piloted for two years in eight to ten U.S. communities hardest hit by foreclosures, with expansion planned for later this year.

Volunteerism has long been embedded in Citi's culture. Citi has spearheaded many successful company-wide volunteer initiatives, including Junior Achievement, Habitat for Humanity, Operation Hope and Teach Children to Save. Our businesses organize team events in communities around the world and, as Chuck Prince noted, we had 45,000 employees take part in our first Global Community Day.

The Citigroup Foundation continues to make a difference by supporting initiatives in three areas: building communities and developing entrepreneurs through our leadership in microfinance; financial literacy; and educating the next generation. Our businesses all over the world identify non-profits they can support and partner with in order to improve the communities where we do business.

We continue to search for better ways to serve our employees in the workplace, and each year Citi conducts the Voice of the Employee (VOE) survey to obtain anonymous employee feedback. A record 94 percent of our employees responded in 2006.

We also saw enhanced business engagement on sustainability issues. Our Environmental and Social Risk Management (ESRM) unit in our Citi Markets & Banking business added new capacity this year. Citi Investment Research issued a number of research reports on sustainability issues. The Sustainable Development Investment Program made significant investments in solar facilities and a clean energy fund. There are many other examples of how Citi has sought to minimize environmental and social risks, while also seeking opportunities that generate strong environmental and financial returns.

Transparency continues to be a cornerstone of our engagement with stakeholders. This year, as in previous years, we have expanded our reporting on issues of interest to specific stakeholders, including, wherever possible, statistics and facts. For this reason, we decided to create a short written summary and a much longer version of this report on our Web site. We have also, as in previous years, invited a group of Socially Responsible Investors (SRIs) and one Non-Governmental Organization (NGO), to comment on a draft version of our report. This year, we have added comments from a community organization and both have been printed in their entirety.



Pamela P. Flaherty
Director, Corporate Citizenship
President and Chief Executive Officer, Citigroup Foundation





We have a responsibility
to our clients.

We have a responsibility
to each other.

We have a responsibility
to our franchise.

—Our Shared Responsibilities

As the leading global financial services company, Citi has some 200 million customer accounts and does business in 100 countries. Our 325,000 employees around the world help to provide 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 and wealth management. Major brand names that fall under Citi's trademark arc include: Citibank, CitiFinancial, Primerica, Smith Barney and Banamex.

Citi traces its history in the U.S. to 1812 and more than a century in China, Hong Kong, Japan, the Philippines, Singapore and the U.K. With offices in 17 countries in Africa, we are the largest international financial services company on the continent. We also have a wide presence in Europe, the Middle East and North and South America.



Expanded Online Information

<http://www.citigroup.com>

Responding to our clients' needs, while taking a leadership role to foster economic development, is at the heart of Citi's operations in each of the communities where we do business. In striving to be the most respected global financial services company, we support hundreds of programs in areas where we feel we can have the greatest impact, such as economic development, microfinance, financial education, community development financing, leadership training and technical assistance, and financial management expertise.

Our Shared Responsibilities

We believe that by aligning ourselves with our Shared Responsibilities <http://www.citigroup.com/citigroup/corporate/values/index.htm>, we will achieve our goal to be the most respected global financial services company. Citi developed and adopted these Shared Responsibilities in 2004 to reinforce values and expectations for all employees.

We Have a Responsibility to Our Clients

We must put our clients first, provide superior advice, products and services, and always act with the highest level of integrity.

We Have a Responsibility to Each Other

We must provide outstanding people the best opportunity to realize their potential. We must treat our teammates with respect, champion our remarkable diversity, share the responsibility for our successes and accept accountability for our failures.

We Have a Responsibility to Our Franchise

We must put Citi's long-term interest ahead of each unit's short-term gains and provide superior results for our shareholders. We must respect the local culture and take an active role in the communities where we work and live. We must honor those who came before us and extend our legacy for those who will come after us.

Our Code of Conduct

We believe that our company will achieve organic growth faster and create more opportunities if our employees have common ethical standards and follow consistent policies. We provide these directives in our Code of Conduct at <http://www.citigroup.com/citigroup/corporategovernance/codeconduct.htm>. A revised Code will be published later this year. All employees worldwide are required to read the Code and sign and return a form acknowledging their understanding of the content.

Corporate Governance

We publicly issue the *Citi Initiatives Corporate Governance Business Practices Report*. Please see the full text on our Web site at www.citigroup.com. This report discusses initiatives that the company has undertaken to ensure leadership in corporate governance practices. The most recent update (Spring 2005) highlighted the company's Five Point Plan, which has brought needed change to Citi and helped employees live up to our Shared Responsibilities.



You must be **the change you wish** to see in the world.

—Mahatma Gandhi

Making Communities Better Because We Are There

Our commitment at Citi remains the same — to make communities better because we are there. By developing industry-leading initiatives and fostering innovative solutions to pressing issues such as affordable housing and community development, we set high standards. The Global Consumer Group Community Relations Department focuses on asset building, financial education and issues management, while maximizing our strategic relationships with nonprofit partners and the communities we serve.

We continuously engage our partners in dialogue, which enables us to respond quickly to issues with effective solutions. Our strategic community programs provide our partners and their constituents with the resources they need to make a positive impact in low- and moderate-income and other underserved communities.

In 2006, we focused on strengthening our community involvement in the U.S., while enhancing relationships internationally.

Community Relations in the U.S.

Leadership in Foreclosure Prevention

In anticipation of rising interest rates and regional economic challenges, Citi launched an aggressive campaign of innovative programs to prevent foreclosures in critical locations. Recognizing that a nonprofit's relationship with the community can help both the borrower and the servicer, in April 2006 we announced our national foreclosure prevention program, with the first local rollout in Ohio. This program is a partnership with the NeighborWorks Center for Foreclosure Solutions, and is designed to encourage financially distressed homeowners to seek help by contacting a

designated 24/7 hotline for counseling. The program aims to educate those most at risk through advertising and telephonic counseling as well as face-to-face counseling. This program will be piloted for two years in eight to ten communities hardest hit by foreclosures. NeighborWorks and its partners expect to launch the program in up to six more communities this year.

Community Relations in the World

Habitat for Humanity International

Over the years, the Citigroup Foundation has made grants totaling more than \$20 million to Habitat for Humanity International (HFHI). These grant dollars have been targeted for the "Citi Builds Communities" employee volunteer program in the U.S., the Jimmy Carter Work Project (JCWP) and the Financial Services Roundtable Community Build Day.

A Catalyst for Change

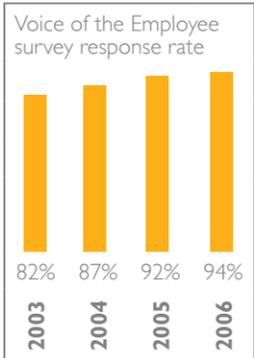
In 2005, former U.S. President William J. Clinton founded the nonpartisan Clinton Global Initiative (CGI) to serve as a catalyst for global change. By encouraging world leaders from the public, private and nonprofit sectors to commit to specific actions to address the world's most pressing challenges. Citi was a founding sponsor of the CGI, and in March 2006, the Citigroup Foundation made the first CGI commitment of that year: a \$5.5 million grant to honor microentrepreneurs in 24 countries and provide more than two million of the world's poorest people with financial education.



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<http://www.citigroup.com/citigroup/citizen/community/index.htm>

VOICE OF THE EMPLOYEE



Voice of the Employee survey % of employees that are	satisfied	neutral	dissatisfied
2003	64%	19%	17%
2004	65%	19%	16%
2005	67%	18%	15%
2006	70%	17%	13%

Each year, Citi conducts the Voice of the Employee (VOE) survey to obtain anonymous, candid feedback from employees. The VOE process is designed to help Citi improve its organizational effectiveness and its work environment. Senior managers and line managers use the results for evaluation and action, and our CEO and heads of Citi’s businesses regularly discuss VOE follow-up. In 2006, we were pleased to report that a record 94 percent of our employees participated in the VOE, the highest participation rate ever. The 2006 results showed significant improvement in many areas, and there continue to be opportunities for improvement.

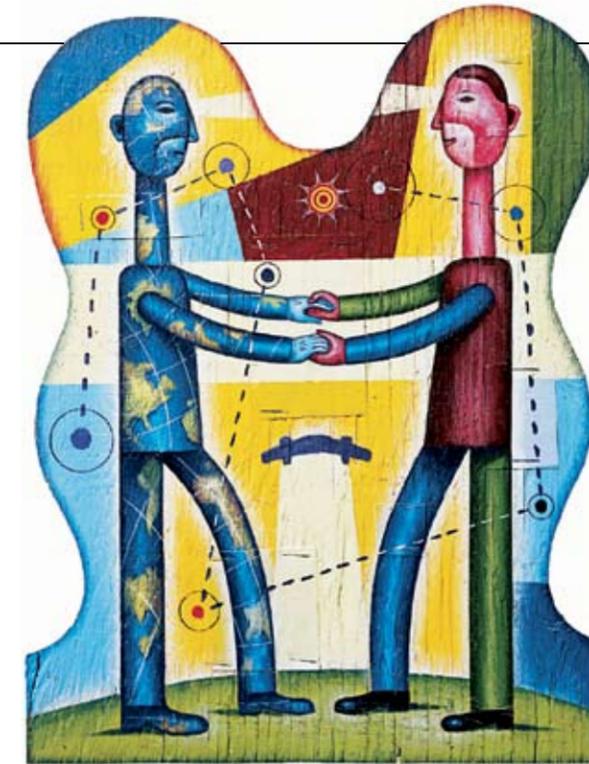
In addition to the VOE, Citi employees also complete the Manager Feedback Survey (MFS). MFS results were sent to individual managers to create action plans to enhance their leadership skills and the leadership skills of the managers within their areas.

In addition to the two full census surveys listed above, Citi conducts periodic sample surveys focused on specialized issues, such as client focus, culture, performance management, career development, internal job mobility and communications.

Nature has given us one tongue, but two ears, that we may hear from others twice as much as we speak.

—Epictetus

THE CITIGROUP FOUNDATION AND MICROFINANCE



In developing countries where poverty is greatest, microenterprises are estimated to represent over 80 percent of all wealth-building enterprises and more than 20 percent of GNP. We know that one of the most effective means of ensuring that the poor take part in their economy is to provide them with access to the financial knowledge, products and services they need to help them build wealth and achieve their goals.

The Citigroup Foundation has been supporting the expansion and evolution of the microfinance industry for decades and its funding has steadily increased along with that expansion. In the past seven years, the Foundation has contributed nearly \$32 million in funding to Micro Finance Institutions (MFIs) and microfinance networks in more than 50 countries where they provide long-term financial assistance to low-income families and communities. The Foundation has established deep, multifaceted relationships with MFIs and microfinance organizations. These organizations provide volunteer opportunities for Citi employees.

The Citigroup Foundation's support of the microfinance sector is focused primarily on providing MFIs and microfinance organizations with the training and capacity building they require in order to achieve greater client outreach and scale as they continue to grow exponentially. The Foundation's approach is to:

- Expand outreach to millions more low-income borrowers by increasing the capacity of MFIs and mobilizing capital;
- Build and preserve borrowers' assets via savings, housing finance, remittances, insurance and financial education;

- Increase industry commitment to transparency, standardized performance measurement and best practices; and
- Build global awareness of microfinance as an effective tool to alleviate poverty and encourage increased access to capital markets.

The Citigroup Foundation supports numerous global, regional and local microfinance organizations that inform the industry, build capacity and strengthen the sector overall. The relationships we develop with these nonprofit organizations are focused on providing technical assistance, sharing best practices, improving monitoring and benchmarking of the industry, improving MFI transparency, encouraging policies that support the microfinance industry and strengthening the industry's connection to financial institutions and capital markets. Globally, our partners include (but are not limited to): ACCION International, Women's World Banking, FINCA, the Grameen Foundation, Microfinance Opportunities, the SEEP Network; the Microfinance Information Exchange, the Foundation for Development Cooperation; Integra Ventures; Sanabel; the Russian Microfinance Center; the Asian Institute of Management; the Indian School of Microfinance for Women, the Chinese Academy of Social Sciences, and the Abrinq Foundation.

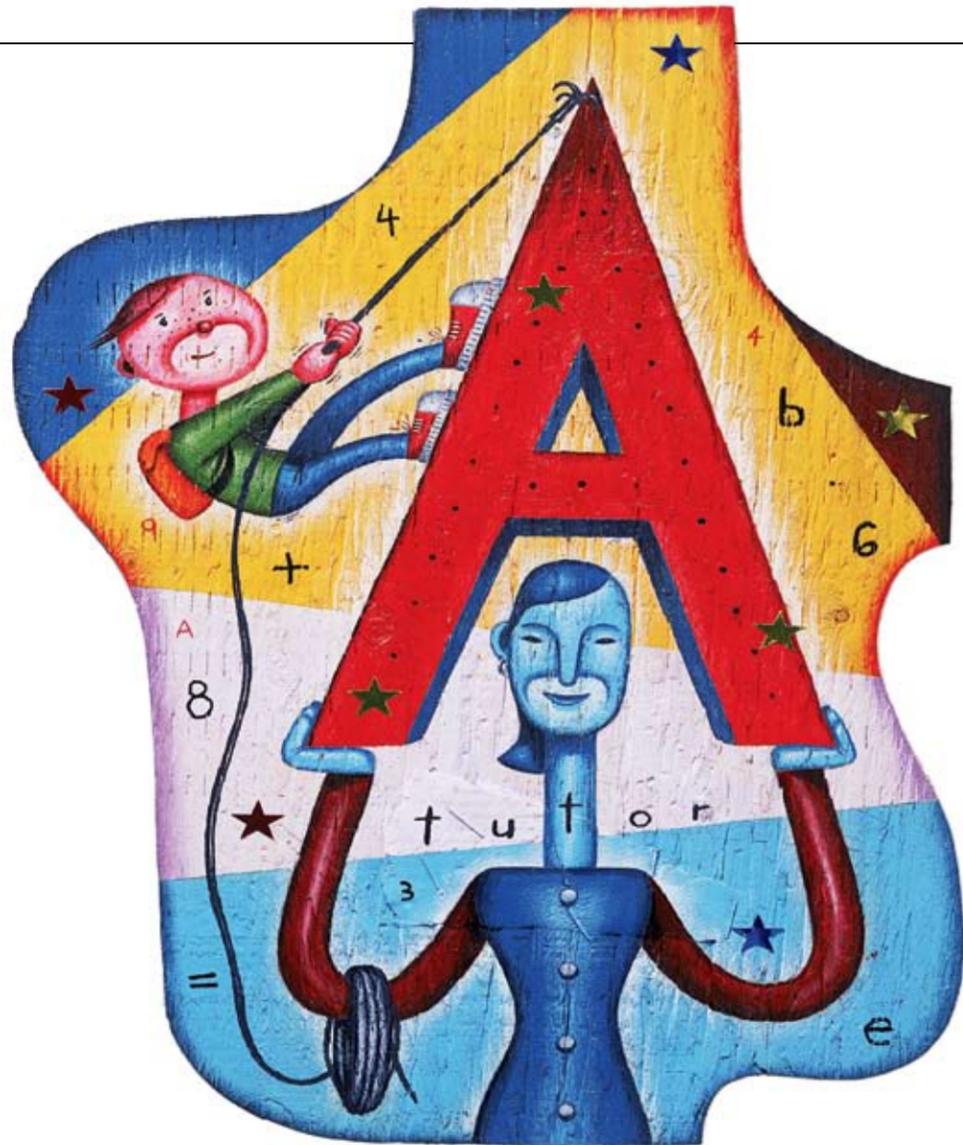


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<http://www.citigroup.com/citigroup/citizen/microfinance/index.htm>

We encourage and support every conceivable intervention to help **the poor** fight out of poverty. We always advocate microcredit in addition to all other interventions, arguing that **microcredit** makes those interventions work better.

—*Muhammad Yunus*
Nobel Peace Laureate 2006



The direction in which
education starts a man will determine
his future life.

—Plato

Why Citi Supports Financial Education

In April 2006, Citi and the Citigroup Foundation celebrated the second anniversary of our unprecedented ten-year, \$200 million global commitment to financial education. Since the announcement of this commitment in 2004, Citi and the Citigroup Foundation have invested nearly \$85 million in financial education programs in 72 countries.

During Citi's nearly 200-year legacy of industry leadership, we've helped individuals, families, entrepreneurs, institutions and governments better understand how to use the financial resources available to them to meet their goals. Through it all, we've learned that when it comes to money, knowledge is the greatest asset and in today's complex world, financial literacy is a critical life skill. Financial instruments are becoming increasingly complex and are entering new marketplaces where they had previously not had a presence. Faced with this reality, financial education is needed now more than ever.

Our Approach

Citi and the Citigroup Foundation direct resources toward programs that provide financial education in three categories:

- **Personal** — To help people save, invest, borrow and spend wisely, and manage debt responsibly.
- **Small Business** — To help entrepreneurs save, invest and secure financing to better manage their capital and grow their businesses.
- **Institutional** — To help support programs that assist governments, academic and financial institutions, and nonprofit organizations to promote knowledge and sound management of economic, market and financial systems.

In April, Citi released an updated version of the Citigroup Financial Education Curriculum. Since its debut in 2003, the curriculum has reached thousands of people through our nonprofit partners and Citi employee volunteers, providing information that has enabled them to make better financial decisions. Updates include additional preparation tools and checklists for facilitators, and new lessons with the credit module, covering topics such as credit scores, identity theft, bankruptcy, prime and subprime lending, predatory lending and credit management. To date, more than 5,300 employees and nonprofit partner staff have undergone training to teach financial education using the Citi Financial Education Curriculum.

Program Highlights

Worldwide: In March 2006, the Citigroup Foundation partnered with Freedom from Hunger and Microfinance Opportunities to announce the Financial Education for the Poor Project, committing \$3.9 million to teach millions of poor people around the world important financial concepts that will help improve their standard of living.

U.S. and Guam: Now in our seventh year of participation in the American Bankers Association's Teach Children to Save Day, 370 Citi volunteers in the U.S. and Guam traded in their balance sheets for blackboards and taught the basics of saving to over 8,000 students in April 2006.



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<http://www.citigroup.com/citigroup/financialeducation/index.htm>

VOLUNTEERISM

Volunteerism at Citi

Our employees strive to make Citi the most respected global financial services company. What is just as remarkable is that, after a long day or week, Citi employees put their passions and expertise to work by helping organizations and causes they believe in, ultimately helping to improve their communities. Given our global presence of 325,000 employees in 100 countries, Citi is in a strong position to mobilize and help coordinate and maximize the enthusiasm of its employees for volunteerism.

Volunteerism has long been an integral part of Citi's culture and is broader than individual employee initiatives. Senior management has traditionally been supportive of employees' volunteer activities, and Citi has spearheaded many successful company-wide

volunteer initiatives, including Junior Achievement, Habitat for Humanity, Operation Hope and Teach Children to Save.

The Office of Global Volunteer Initiatives was created in 2003 as Citi recognized that our commitment to and our impact through volunteerism could be even broader. It was conceived as a way to centralize information on volunteer activities, promote volunteerism to our employees, recognize individual volunteer efforts and strategically market volunteer activities to help meet community goals.

The Office of Global Volunteer Initiatives, with support from Human Resources, the Citigroup Foundation, and the Office of Financial Education, helps coordinate company-wide initiatives related to volunteerism, including:

Volunteer Incentive Program: Employees who volunteer 50 hours or more during a calendar year with an eligible nonprofit organization may apply for a \$500 grant from the Citigroup Foundation for that organization. The impact of the employee's involvement is increased through a cash award to the organization.

Employee Volunteer Day: Active and qualified Citi employees are encouraged to take a paid day off from their job each calendar year to volunteer for the organization of their choice.

The Volunteer Tracking System is a multi-dimensional online platform where employees can find and register for volunteer opportunities in their area and track their volunteer hours. More than 54,000 Citi employees have used the system since 2004.

Global Community Day

Every day we foster a culture of volunteerism and encourage our businesses to organize team events that support local communities. But 2006 was historic for Citi. On November 18 more than 45,000 volunteers in more than 450 cities and 100 countries participated in more than 800 activities to make their communities better. Across time zones and continents, Citi volunteers gave back to the communities where they live and work through a remarkable breadth of activities.

We make a living by
what we do, but we make a life by
what we give.

—Winston Churchill





Today we are faced **with a challenge** that calls for a shift in our thinking, so that humanity stops threatening its life-support system. We are called to **assist the Earth to heal her wounds...**

—*Wangari Maathai*
Nobel Peace Laureate 2004

Environmental Management Framework

Our framework for evaluating progress on sustainability issues emphasizes stakeholder engagement and policy development, with a strong focus on implementation. We pay special attention to issues of global importance, such as climate change and human rights, while making sure that our responses to these problems are relevant to our particular businesses. Below are highlights from our 2006 efforts.

Stakeholder Engagement and Partnerships

Stakeholder engagement is an integral part of Citi's sustainability strategy. We communicate regularly with our stakeholders, including clients, employees, NGOs and SRIs. We also support NGO partners and their work on sustainable development programs through the Citigroup Foundation.

In 2006 we spent a significant amount of time engaging with clients, NGOs and our competitors during the process of updating the Equator Principles (now referred to as EP II). A principal component of the updating process was an outreach program aimed at key stakeholders, including interested NGOs, SRIs, co-financiers such as export credit agencies, and, importantly, key clients and industry groups. As clients are the entities implementing the Equator Principles' standards in their projects on the ground, we wanted to listen and learn from their implementation experience. Citi as well as other financial institutions consulted a variety of clients across many industry sectors and geographies. Citi took a central role in the EP II updating process as principal co-drafter of the new Principles, and also in the subsequent outreach with clients, NGOs and SRIs.



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<http://www.citigroup.com/citigroup/environment/index.htm>

Our Policies and Process

The environmental and social risk management approach in our Markets & Banking business covers numerous transaction types for dozens of industries in more than 100 countries. Our Environmental and Social Risk Management (ESRM) Policy (which includes the Equator Principles) helps guide bankers on complex and challenging ESRM issues in a variety of transaction types (including project finance, bond and equity underwritings, corporate loans and letters of credit). We partner with our clients to ensure robust implementation of these standards on the ground, thereby adding value at the project level. In recognition of this work, in June 2006 our ESRM Team was awarded a *Special Commendation* “for exemplary leadership in integrating best-in-class environmental and social policies across the global

operations of the group” by the judges in the inaugural *Financial Times* Sustainable Banking Awards.

A total of 438 transactions received ESRM review in 2006. Of those, 86 transactions were project finance and subject to the Equator Principles, as detailed below. An example of an exception to the ESRM Policy is described in the comprehensive 2006 Citizenship Report.

As financier or advisor, Citi’s engagement with clients has helped lead to better social and environmental outcomes. From a large infrastructure project in India that required involuntary resettlement of scheduled tribes and castes to a large aluminum project in the Middle East, Citi ensured that our due diligence and advice was robust and had a positive impact on local communities and habitats.

2006 PROJECT FINANCE TRANSACTIONS SUBJECT TO THE EQUATOR PRINCIPLES					
ESRM Category	Project Finance Transactions Reviewed at Greenlight/Marketing Stage	Project Finance Transactions Funded (with Combined Total Project Capital Costs)		Mandated Project Finance Advisories	Exceptions to ESRM Policy Granted
A	20	5	\$16.3 billion	5	2
B	55	7	\$15.0 billion	7	0
C	11	8	\$2.9 billion	0	0
Total	86	20	\$34.2 billion	12	2

Our Environmental Footprint

Citi has made significant strides in building a corporate culture that embeds the principles of environmental responsibility and sustainable growth into our everyday business practices. This approach encompasses our real estate portfolio, procurement, energy usage and many other initiatives.

Major initiatives in 2006 included the following:

- Commitment to reduce greenhouse gas (GHG) emissions by 10% of our 2005 baseline by 2011
- Establishment of a Global Energy Council to implement measures to meet our GHG reduction and green power procurement goals
- Purchase of 52,283 MWh of green power for our operations
- Commitment to target LEED Silver certification for construction of new office facilities
- Evaluation of our largest facilities to understand how to attain LEED status for our existing buildings
- Institution of a cradle-to-cradle approach to procurement for our facilities, including construction materials, fabrics, carpet, furniture and building services.

- Purchase of 200% more FSC certified paper (for a total of 557 metric tons); and
- Purchase of 8,186 metric tons of 30% post-consumer recycled copy paper (netting 2,455.8 metric tons of recycled fiber), as well as 682.5 metric tons of recycled fiber for use in corporate marketing materials.

Below is a summary of our environmental footprint metrics:

	2006	2005
Total energy consumed (GWh)	2,702	2,548
Total waste (metric tons)	103,481	96,340
Total water consumption (m ³)	7,467,308	7,316,338
Total CO ₂ (metric tons)	1,387,413	1,294,351
Direct CO ₂ (Scope 1)	48,507	50,551
Indirect CO ₂ (Scope 2)	1,338,905	1,243,800
Green power CO ₂ offsets	(33,573)	(7,611)
Net CO ₂ (metric tons)	1,353,840	1,286,740
Total energy consumed (KWh/occupant)	6,754	6,812
Total CO ₂ (metric tons/occupant)	3.5	3.5



“The Sohar Aluminum Smelter Project site is without hesitation, from an environmental perspective, a very impressive construction site. It is clear that environmental issues have been taken very seriously and were very effectively implemented.”

—Independent Monitoring Report for Sohar Aluminum Lenders’ Independent Environmental Consultant

ENVIRONMENT

Sustainable Enterprise

Citi's environmental focus has transformed from a risk-based approach to one that also capitalizes on opportunities that make sense from both a sustainability and business standpoint.

Sustainable Development Investment

Program: Citi makes private equity investments in both the developed and developing world in renewable energy, waste and water management, sustainable forestry, energy efficiency/clean technology and GHG emission reduction credit markets through its Sustainable Development Investment Program (SDIP).

Since the inception of SDIP in 2004, Citi has invested or committed approximately \$150 million in companies within the SDIP scope. In 2006, Citi invested through various funds approximately \$75 million in SDIP classified investments in the biofuels, solar and clean technology markets.

Recent investments include:

- Permolex International L.P., a leading North American ethanol producer;
- Jiangsu Linyang Solarfun Co., Ltd., a leading Chinese manufacturer of photovoltaic solar cells and modules;
- Chrysalix Clean Energy Fund, an early-stage investor in renewable and alternative energy companies, based in Vancouver, British Columbia; and
- Sindicatum Carbon Capital, which focuses on reducing GHG emissions from nitric acid plants, coal mines and landfills, primarily in the emerging markets.

Citi Investment Research: This year Citi Investment Research (CIR) issued SRI reports on topics such as sustainable mining, climate change, carbon limits and ethanol. This research was global in scope, a departure from previous years' Euro-focus.

The CIR report on mining, entitled *Towards Sustainable Mining*, earned the Farsight Award, which honors the research report that best integrates traditional financial analysis with social issues. In examining how the five factors of sustainable development—commodity exposure; country exposure; mine development; Health, Safety and Environment in operations; and sustainability governance—have the ability to add or destroy value for companies globally, the research team developed the Citi Sustainability Mining Index.

In reports related to climate change, analysts looked at ethanol as an antidote for America's oil addiction; the advent of carbon limits; and investing in solutions to climate change. In the first research report on climate change issued in Australia, research honed in on the industries that are most likely to prosper or suffer, and listed alternative energy providers, sustainable builders and recycling enterprises as some of the potential winners.

Sharp Solar: In the summer of 2006, Sharp Electronics Corporation and CitiMortgage signed a joint marketing agreement to offer a financing program that provides homeowners with a new financing option to purchase and install solar electric systems. The installed cost for the solar product is approximately \$31,500, and the CitiMortgage program enables customers to take out a home equity loan or line of credit to finance the home solar electric system, rather than having to use savings or take out a general loan. It is hoped that this program, which was rolled out in September 2006, will help drive consumer adoption of Sharp's home solar electric systems, which began as a boutique product line for the company and is now one of its largest growth businesses.



This annual report is printed on FSC certified process chlorine free Mohawk Options 100% PC, which is made with 100% post-consumer recycled fiber and is manufactured using 100% Green-e certified renewable wind-generated electricity. By using emission-free wind-generated electricity to make this paper, 8,961 pounds of air emissions were not generated — the equivalent of not driving 9,706 miles, or planting 606 trees. This paper is certified by Green Seal, and by SmartWood for FSC standards. This report was printed with soy ink and with 100% green renewable energy.

For more information on citizenship initiatives described in this report, e-mail Valerie Hendy at hendyv@citigroup.com.

For the comprehensive Citizenship Report 2006, please visit <http://www.citigroup.com/citigroup/environment/annualreport.htm>

