

# Second-Party Opinion

## Citi Social Bond Framework for Affordable Housing



### Evaluation Summary

Sustainalytics is of the opinion that the Citi Social Bond Framework for Affordable Housing is credible and impactful and aligns with the four core components of the Social Bond Principles 2020. This assessment is based on the following:



**USE OF PROCEEDS** The eligible category for the use of proceeds is aligned with those recognized by the Social Bond Principles that seek to achieve positive socio-economic outcomes for target populations. Sustainalytics considers that financing affordable housing will lead to positive social impacts and advance the UN Sustainable Development Goals (SDG), specifically SDGs 10 and 11.



**PROJECT EVALUATION / SELECTION** Citi's specialist teams (which include Citi Community Capital), will be responsible for screening and selecting eligible assets to be added to Citi's Affordable Housing Bond Asset Portfolio. The evaluation process involves approval through its business line and by senior executives, as well as scrutiny by its internal audit and internal independent compliance review processes. This is in line with market practice.



**MANAGEMENT OF PROCEEDS** Citi will establish an Affordable Housing Bond Working Group who will be responsible for oversight of the Citi Affordable Housing Bond Asset Portfolio. The group will include members from its Banking, Capital Markets and Advisory, Citi Community Capital and Citi Community Development teams and will track the proceeds using an internal asset management system which is fed by other Citi enterprise-wide systems. Sustainalytics finds this process to be in line with market practice.



**REPORTING** Citi intends to publish annually until full allocation, an Affordable Housing Bond Report on its website for all bonds issued under the Framework. This report will include allocation information such as outstanding amount of eligible assets financed, amount of unallocated bond proceeds as well as key performance indicators such as the number of planned affordable housing units and the total number planned affordable housing units reserved for protected or vulnerable populations. Sustainalytics views Citi's reporting on allocation and impact metrics as aligned with market practice.

<b>Evaluation date</b>	October 20, 2020
<b>Issuer Location</b>	New York, USA

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## Introduction

Citigroup Inc. (“Citi”) is a global diversified financial services holding company whose businesses provide consumers, corporations, governments and institutions with a broad, yet focused, range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, trade and securities services, and wealth management. Citi has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi Community Capital (“CCC”), a specialized unit within Citi, provides a variety of affordable housing services including construction lending, permanent lending, and other financing. Citi Community Development works with Citi’s businesses across the U.S. to lead Citi’s commitment to financial inclusion and economic empowerment for underserved individuals, families and communities to help build inclusive cities and communities.

Citi has developed an Affordable Housing Bond Framework (the “Framework”) under which it and/or its subsidiaries intend to issue social bond(s) and use the proceeds to finance and/or refinance, a part of Citi’s portfolio of affordable housing assets in the United States, consisting of eligible financing instruments which provide housing for:

- Low-income individuals: family income <50% of the area’s median family income
- Moderate-income: family income 50-80% of the area’s median family income

Citi engaged Sustainalytics to review the Citi Affordable Housing Bond Framework, dated October 2020 and provide a second-party opinion on the Framework’s social credentials and its alignment with the Social Bond Principles 2020 (SBP).<sup>1</sup> This Framework has been published in a separate document.<sup>2</sup>

### Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>3</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

The Framework’s alignment with the Social Bond Principles 2020, as administered by ICMA;  
The credibility and anticipated positive impacts of the use of proceeds; and  
The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.5, which is informed by market practice and Sustainalytics expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Citi’s business teams to understand the sustainability impact of the Community Capital business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. The Citi representatives have confirmed (1) they understand it is the sole responsibility of Citi to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Citi.

<sup>1</sup> The Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

<sup>2</sup> The Framework will be made available on Citi’s website at: <https://www.citigroup.com/citi/fixedincome/>

<sup>3</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

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Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Citi has made available to Sustainalytics for the purpose of this SPO.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Citi Social Bond Framework for Affordable Housing

#### Summary

Sustainalytics is of the opinion that the Citi Social Bond Framework for Affordable Housing is credible and impactful and aligns with the four core components of the Social Bond Principles 2020 (the "SBP"). Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible use of proceeds category, affordable housing, is recognized as impactful by the SBP.
  - The proceeds raised by this bond will be allocated to finance or refinance a portion of Citi's "Affordable Housing Bond Asset Portfolio", which consists of eligible financing instruments such as debt financing instruments (including construction & permanent loans, letters of credit, and tax exempt bonds) and equity financings. These instruments intend to finance the construction, rehabilitation, and/or the preservation of quality affordable housing for low- and moderate-income populations in the U.S.
  - Sustainalytics notes positively that the target populations are clearly defined, and that income levels are in line with those recognized by the US Consumer Financial Protection Bureau:
    - Low-income is defined as a family income of less than 50% of the area's median family income.
    - Moderate-income is defined as a family income of between 50% and less than 80% of the area's median family income.
  - The Framework further notes that Citi's Affordable Housing Bond Asset Portfolio may finance housing adapted to the needs of certain vulnerable populations, including senior citizens, veterans, those with disabilities, and individuals experiencing homelessness.
  - Citi's Affordable Housing Bond Asset Portfolio may, in some "limited scenarios", also finance projects that include commercial space and/or housing units available to those with incomes above 80% of the area's median family income. These cases would arise primarily when municipalities or similar regulatory entities have specifically established a broader definition of affordable housing; these will not exceed 20% of the total units financed within the Affordable Housing Bond Asset Portfolio. Based on these qualifications, Sustainalytics does not consider this to detract from the overall social impacts of the bond.
  - The Framework has specified exclusionary criteria in order to provide further transparency on eligible projects types. Excluded projects include those outside of the US, those that do not have as their "primary purpose" serving low or moderate income individuals, and mortgage-backed securities or their derivatives.

- Project Evaluation and Selection:
  - Citi's specialist teams, which includes Citi Community Capital, will be responsible for screening eligible assets to be added to its Affordable Housing Bond Asset Portfolio. The specialist teams will also periodically review, remove and replace assets in this Portfolio that no longer qualify, with eligible assets.
  - Every affordable housing development project that Citi lends and/or invests in will go through its business line and senior executive level approval process and will also be scrutinized by internal audit and internal independent compliance review processes. Where applicable, loans may be subject to external evaluation and must comply with applicable regulations or agreements.
  - Based on the clear delegation of authority and commitment for internal review, Sustainalytics considers this to be in line with market practice.
- Management of Proceeds:
  - Citi has an 'Affordable Housing Bond Working Group' co-chaired by Citi's Chief Investment Officer and the Co-Head of Citi Community Capital. The group comprises of members from the various departments such as - Banking, Capital Markets and Advisory, Citi Community Capital and Citi Community Development. This Working Group will track the Affordable Housing Bond Asset Portfolio using its internal asset management system and will meet quarterly to ensure that the above-mentioned Portfolio is equal to or greater than the aggregate amount raised by Citi Affordable Housing Bonds.
  - If for any reason the aggregate amount in Citi's Affordable Housing Bond Asset Portfolio is less than the total outstanding amount of the Bonds issued under this framework during the associated reporting period, Citi will hold the balance unallocated amount in cash, cash equivalents and/or other liquid marketable instruments until the amount can be allocated towards the Citi Affordable Housing Bond Asset Portfolio.
  - Based on the description of processes and disclosure of intended temporary instruments, Sustainalytics considers this to be in line with market practice.
- Reporting:
  - Citi commits to publishing an Affordable Housing Bonds Report on its website, which will cover all bonds issued under the Framework. This report, which Citi confirms will be published annually so long as Housing Bonds are outstanding, and within a year of Citi's inaugural issuance under the Framework, will provide allocation information such as the total outstanding par amount of the Citi Affordable Housing Bond(s) issued, the total outstanding amount of eligible assets funded by the bond(s) as well as the total amount of unallocated bond proceeds if any. The allocation reporting will be reviewed by an external auditor, who will also provide assurance on compliance with the Framework's exclusionary criteria.
  - Within these same reports Citi also plans to report on key impact metrics such as: the total affordable housing units and housing developments financed by the bond(s), and the number of planned affordable housing units reserved for protected or vulnerable populations.
  - Sustainalytics views this level of disclosure, including the specified impact metrics, to be in line with market practice.

#### **Alignment with Social Bond Principles 2020**

Sustainalytics has determined that the Citi Social Bond Framework for Affordable Housing aligns to the four core components of the SBP. For detailed information please refer to Appendix 1: External Review Form.

## Section 2: Sustainability Performance of the Issuer

### Contribution of Framework to issuer's sustainability strategy

Citi has committed to a 2025 Sustainability Progress Strategy with the stated ambition of being “the world’s leading bank in driving the transition to a low-carbon economy”, while balancing the environmental, social and economic needs of society. This firm-wide sustainability progress strategy is organized under three pillars: Low-Carbon Transition, Climate Risk and Sustainable Operations. In 2020, through Citi’s Low-Carbon Transition initiative, the Bank has committed to finance and facilitate USD 250 billion in environmental solutions over the next five years building on its previously completed USD 100 billion Environmental Finance Goal.<sup>4</sup> Having its presence in a number of cities across the world enables Citi to leverage its relationships locally to address the challenges of urbanization and growth by supporting initiatives such as building resilient infrastructure.<sup>5</sup>

Through Citi Community Capital (CCC), a specialized unit within Citi’s Institutional Clients Group, Citi provides a suite of financial products to help affordable housing developers construct, rehabilitate, refinance, and acquire affordable multifamily housing across the country. In the year 2019, Citi financed over USD 6 billion in affordable and supportive housing in the U.S.<sup>6</sup> Citi Community Development also works with partners to provide affordable and safe housing to vulnerable communities. For example – Citi has partnered with True Colors United to address the housing challenges faced by LGBT+ youth across the U.S. and with SAGE to ensure that communities are equipped to support aging LGBT+ residents through capacity building, consumer education, advocacy, training and the construction of more LGBT+-welcoming housing.<sup>7</sup> Citi has also invested USD 5 million in seeding new community land trusts (CLT) in New York City, Long Island, Washington, D.C., and Miami, among other locations in the U.S. CLT’s are nonprofit organizations that buy land to build permanent affordable housing for low-income households and place a cap on resale and rental prices to maintain affordability over the long term.<sup>8</sup>

Considering these actions and commitments, Sustainalytics considers that the Citi Social Bond Framework for Affordable Housing will advance Citi’s sustainability strategy in the area of financing affordable and supportive housing for vulnerable groups.

### Well positioned to address common environmental and social risks associated with the projects

Sustainalytics recognizes that proceeds from Citi’s Social Bond will be directed towards affordable housing which will generate positive social impacts; however, it also recognizes that, as is the case with any construction and development projects, there are environmental and social risks associated. With regards to environmental risks, these may include impact on local biodiversity and air/water/soil pollution from infrastructure development. Major social risks which could be associated with financing under the Framework include those related to worker health and safety and exacerbating existing inequalities within communities it operates in.

Citi has an Environmental and Social Risk Management (ESRM) Policy in place to help inform its business decisions. It has publicly endorsed a number of external environmental and social principles and standards such as the Natural Capital Declaration, UN’s Environmental Finance Initiative, RE100, and the International Labour Organization’s (ILO) Core Conventions and has several internal policies and procedures in line with the IFC Performance Standards and Environmental Health and Safety Guidelines, the Voluntary Principles on Security and Human Rights and the Forest Stewardship Council to mitigate environmental and social risks. Citi also has stakeholder engagement as one of its sustainability priorities. Finally, Sustainalytics notes that the regulatory context, namely the various regulations in place in the United States at the federal, state, and local levels related to environmental assessments and workplace health and safety, further supports the risk mitigation of the projects financed.

Overall, Sustainalytics is of the opinion that Citi, through its internal policies and public endorsement of environmental and social standards, is well-placed to mitigate environmental and social risks related to the projects financed under its Affordable Housing Bond Framework.

<sup>4</sup> Citi, Low-Carbon Transition, <https://www.citigroup.com/citi/sustainability/lowcarbon.htm>

<sup>5</sup> Citigroup, Strategic Priorities: <https://www.citigroup.com/citi/sustainability/strategicpriorities.htm>

<sup>6</sup> Citi, Environmental, Social, and Governance Report 2019: <https://www.citigroup.com/citi/about/esg/download/2019/Global-ESG-Report-2019.pdf?ieNocache=804>

<sup>7</sup> Citi’s Global Citizenship Report, 2018: <https://www.citigroup.com/citi/about/citizenship/download/Global-Citizenship-Report-2018.pdf>

<sup>8</sup> Citi’s Global Citizenship Report, 2018: <https://www.citigroup.com/citi/about/citizenship/download/Global-Citizenship-Report-2018.pdf>

### Section 3: Impact of Use of Proceeds

#### Importance of access to affordable financing for low- and moderate-income populations in the U.S.

According to the Urban Institute, about 8.3 million renter households with low incomes in the U.S. paid over 50 percent of their income for housing costs, making them severely housing cost burdened.<sup>9</sup> The National Low Income Housing Coalition estimates that there is a shortage of over 7 million affordable and available rental homes for extremely low-income<sup>10</sup> renter households in the U.S. and that 48 percent of these extremely low-income renter households belong to the senior or disabled population.<sup>11</sup> It is also important to note that only 20 percent of households eligible for housing assistance in the U.S. actually received it.<sup>12</sup> With the reduction in the US Department of Housing and Urban Development’s budget<sup>13</sup> and the private market providing too few homes affordable to the lowest-income renters, the issue of having access to affordable housing is expected to intensify. There is strong evidence that lack of decent housing is known to have negative social impact and is likely to increase crime, educational under-achievement, poor health, and lead to communal tensions.<sup>14</sup> Therefore, Sustainalytics believes that investments by Citi in affordable housing projects in the U.S. will have overall strong positive social impacts.

#### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This social bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Affordable Housing	10. Reduced Inequalities	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
	11. Sustainable Cities and Communities	By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

### Conclusion

Citi has developed the Social Bond Framework for Affordable Housing under which it and/or its subsidiaries will issue various eligible financing instruments to fund affordable housing for low- and moderate-income populations in the U.S.

Sustainalytics is of the opinion that the use of proceeds is impactful given that Citi’s investments target financially vulnerable populations in the U.S, and therefore positively contribute to reducing social disparities and facilitating affordable and simplified access to housing finance for those who need it the most. Citi’s Affordable Housing Bond contributes to its mandate and mission, as well as helps to advance SDGs 10 and 11.

In addition, Citi’s project selection and evaluation process, its management of proceeds, and its planned reporting are aligned with market practices. Based on the above, Sustainalytics is confident that Citi is well positioned to issue social bonds and that the Bond Framework for Affordable Housing is robust, credible, and transparent and aligned with the four core components of the Social Bond Principles 2020.

<sup>9</sup> The case for More, not Less, Urban Institute: [https://www.urban.org/sites/default/files/publication/95616/case\\_for\\_more\\_not\\_less.pdf](https://www.urban.org/sites/default/files/publication/95616/case_for_more_not_less.pdf)

<sup>10</sup> National Low Income Housing Coalition defines extremely low-income households as households with income at or below the Poverty Guideline or 30% of Area Median Income, whichever is higher.

<sup>11</sup> The Gap, A shortage of affordable homes, National Low Income Housing Coalition: [https://reports.nlihc.org/sites/default/files/gap/Gap-Report\\_2019.pdf](https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2019.pdf)

<sup>12</sup> The case for More, not Less, Urban Institute: [https://www.urban.org/sites/default/files/publication/95616/case\\_for\\_more\\_not\\_less.pdf](https://www.urban.org/sites/default/files/publication/95616/case_for_more_not_less.pdf)

<sup>13</sup> President Trump Proposes Drastic Cuts to Affordable Housing Programs, National Low Income Housing Coalition: <https://nlihc.org/resource/president-trump-proposes-drastic-cuts-affordable-housing-programs>

<sup>14</sup> Social impact of poor housing, ECOTEC, at: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.476.9406&rep=rep1&type=pdf>

## Appendices

### Appendix 1: Social Bond/ Social Bond Programme -External Review Form Section 1. Basic Information

<b>Issuer name:</b>	Citibank, N.A.
<b>Social Bond ISIN or Issuer Social Bond Framework Name, if applicable: <i>[specify as appropriate]</i></b>	Citi Social Bond Framework for Affordable Housing
<b>Review provider's name:</b>	Sustainalytics
<b>Completion date of this form:</b>	October 20, 2020
<b>Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i></b>	

### Section 2. Review overview

#### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

#### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other <i>(please specify)</i> :                        |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

#### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible category for the use of proceeds is aligned with those recognized by the Social Bond Principles that seek to achieve positive socio-economic outcomes for target populations. Sustainalytics considers that the financing affordable housing will lead to positive social impacts and advance the UN Sustainable Development Goals (SDG), specifically SDGs 10 and 11.

#### Use of proceeds categories as per SBP:

- |  |   |
|--|---|
| <input type="checkbox"/> Affordable basic infrastructure   | <input type="checkbox"/> Access to essential services                                   |
| <input checked="" type="checkbox"/> Affordable housing   | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security   | <input type="checkbox"/> Socioeconomic advancement and empowerment                      |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | <input type="checkbox"/> Other ( <i>please specify</i> ):                               |

If applicable please specify the social taxonomy, if other than SBPs:

#### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Citi's specialist teams which include Citi Community Capital will be responsible for screening eligible assets to be added to Citi's Affordable Housing Bond Asset Portfolio. The evaluation process involves approval through its business line and by senior executives, as well as scrutiny by its internal audit and internal independent compliance review processes. This is in line with market practice.

#### Evaluation and selection

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's social objectives                                   | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories               |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Social Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |

- Summary criteria for project evaluation and selection publicly available  Other (*please specify*):

#### Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification  In-house assessment
- Other (*please specify*):

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Citi will establish an Affordable Housing Bond Working Group who will be responsible for oversight of the Citi Affordable Housing Bond Asset Portfolio. The group will include members from its Banking, Capital Markets and Advisory, Citi Community Capital and Citi Community Development teams and will track the proceeds using an internal asset management system which is fed by other Citi enterprise-wide systems. Sustainalytics finds this process to be in line with market practice

#### Tracking of proceeds:

- Social Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

#### Additional disclosure:

- Allocations to future investments only  Allocations to both existing and future investments
- Allocation to individual disbursements  Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds  Other (*please specify*):

### 4. REPORTING

Overall comment on section (*if applicable*):

Citi intends to publish annually until full allocation, an Affordable Housing Bond Report on its website for all bonds issued under the Citi Affordable Housing Bond Framework. This report will include allocation information such as outstanding amount of eligible assets financed, amount of unallocated bond proceeds as well as key performance indicators such as the number of planned affordable housing units and the total number planned affordable housing units reserved for protected or vulnerable populations. Sustainalytics views Citi's reporting on allocation and impact metrics as aligned with market practice.

**Use of proceeds reporting:**

- Project-by-project
   
  On a project portfolio basis
- Linkage to individual bond(s)
   
  Other (*please specify*):

**Information reported:**

- Allocated amounts
   
  Social Bond financed share of total investment
- Other (*please specify*):  
 Unallocated amount if any

**Frequency:**

- Annual
   
  Semi-annual
- Other (*please specify*):

**Impact reporting:**

- Project-by-project
   
  On a project portfolio basis
- Linkage to individual bond(s)
   
  Other (*please specify*):

**Frequency:**

- Annual
   
  Semi-annual
- Other (*please specify*):

**Information reported (expected or ex-post):**

- Number of beneficiaries
   
  Target populations
- Other ESG indicators (*please specify*):  
 total affordable housing units financed,  
 total number of units reserved for  
 protected or vulnerable populations and  
 number of projects and/or buildings  
 financed.

**Means of Disclosure**

- Information published in financial report
   
  Information published in sustainability report
- Information published in ad hoc documents
   
  Other (*please specify*): information to be published in an Affordable Housing Bond report on Citi's website
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)**

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- |  |  |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit                        | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):            |  |

**Review provider(s):**

**Date of publication:**

**ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE SBP**

- i. Second Party Opinion: An institution with social expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Social Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Social Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to social sustainability, and an evaluation of the social features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or social criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Social Bond proceeds, statement of social impact or alignment of reporting with the SBP, may also be termed verification.
- iii. Certification: An issuer can have its Social Bond or associated Social Bond framework or Use of Proceeds certified against a recognised external social standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Social Bond Scoring/Rating: An issuer can have its Social Bond, associated Social Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on social performance data, process relative to the SBP, or another benchmark. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material social risks.

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In case of discrepancies between the English language and translated versions, the English language version shall prevail.

## About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com).

### 5th Green Bond Pioneer Awards

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The  
Green Bond  
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