

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, 2019 to December 31, 2019.

This statement summarizes Citi’s current approach to modern slavery and sets out what actions we undertook in FY2019 and plan to take in the future in addressing the risk of modern slavery in 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. These activities are divided between our Institutional Clients Group that serves approximately 13,000 institutional and corporate clients (including approximately 90 percent of the global Fortune 500), and our Global Consumer Bank, which serves over 100 million customers in 19 markets globally. Collectively, our approximately 200,000 full-time employees conduct business in 98 countries. As we conduct business globally, our supply chain is vast and diverse, including approximately 8,000 suppliers.

In the United Kingdom, our business focuses on private wealth management and investment services, commercial banking and multi-currency banking. We have approximately 7,973 direct staff carrying out the business of the companies that fall within the scope of the UK Modern Slavery Act (UK MSA).

For more information about our business, please see our [website \(Citi at a glance\)](#), [Annual Report](#) and [Resource Management Organization](#) (RMO) page, which covers our supply chain function.

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 Sustainability & ESG team and Environmental and Social Risk Management (ESRM) team, which sit within Citi's Global Public Affairs and Institutional Clients Group Risk functions respectively. The RMO is responsible for global supply chain practices across different regional teams.

These functions work collaboratively with other enterprise functions at Citi, as well as with independent consultants, to ensure our policies and procedures meet legal requirements of jurisdictions in which 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, including our prior UK Modern Slavery Act statements, please visit the Environmental and Social Information section of our [Corporate Governance page](#).

b. Policies and principles relevant to modern slavery

Even 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 Core Conventions, which encompass forced labor and child labor;
- Citi's [Code of Conduct](#), which sets forth our values and standards, including those regarding the treatment of our employees, clients, business colleagues and communities, emphasizes an environment of mutual respect, prohibits discrimination and harassment in any form and provides mechanisms, such as our global Ethics Hotline, for addressing grievances from members of our workforce, supply chain participants, or the public;
- Citi's [Environmental and Social Policy Framework](#), which encapsulates our approach and the standards we apply to environmental and social issues in 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's [Requirements for Suppliers](#), which facilitate compliance by suppliers with Citi policies and requirements in the course of providing services to Citi; and
- Citi's Global Anti-Money Laundering (AML) policies and Know Your Client protocols, which screen for a variety of financial crimes and designate human trafficking as among the most severe types of financial crimes that may cause extreme money laundering risks.

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 continually working to internally implement the corporate responsibility to respect human rights. For more on our approach to human rights and our continuing efforts to implement the UN Guiding Principles, see our Statement on Human Rights and the "Human Rights" section of our annual [Global Citizenship Report](#).

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

As part of our commitment to combating modern slavery, and as described initially in our [FY2016](#), [FY2017](#), and [FY2018](#) UK MSA Statements, we have been conducting a review and update process of key policies, procedures and contractual terms for suppliers.

d. Training

As detailed in our [FY2016](#) and [FY2017](#) UK MSA Statements, we have conducted modern slavery related in-person training and awareness sessions for select Citi functions. In particular, training has been provided to personnel in our Sourcing and Human Resource teams in EMEA and we have also made available a number of external training programs on the connections between human trafficking and anti-money laundering efforts on our internal training websites for our Know Your Client and anti-money laundering compliance personnel. Building on these initial efforts, and training we delivered in 2018, in 2019, Citi developed a comprehensive modern slavery awareness training module that provides a broad introduction to the topic as well as a particular focus on supply chain risks. Over 1,000 Citi supply chain personnel completed the training in 2019. In 2020, we aim both to expand the training's reach to additional supply chain personnel and to modify the training with targeted content for other Citi functions.

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 assessments of our business operations and supply chain, our understanding is that the primary

risks for modern slavery reside in our supply chain. However, we also undertake relevant risk assessments 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 2019:

a. In our operations

- **Risk assessment:** Globally, we have approximately 200,000 full-time employees and less than 3,000 part-time employees. The vast majority of our UK and EMEA-based employees are recruited directly.
- **Due diligence and remediation:** Citi takes seriously the way our employees and contractors are treated in the workplace. Pursuant to our global Code of Conduct, which is publicly available in 26 languages, every manager is responsible for creating a work environment free of discrimination, harassment, and retaliation. Managers are expected to lead by example and to inspire their teams to conduct business according to the highest standards of ethics and professional behavior.

To help identify any unacceptable workplace practices and to assist in remedying any improper conduct, all Citi employees, contractors and others are provided access to our global Ethics Hotline and other channels for reporting any ethical concerns or possible violations of a law, rule, regulation, Citi policy or our Code of Conduct. Concerns may be reported anonymously to the extent permitted by applicable laws and regulations. When concerns are raised with respect to potential misconduct, Citi conducts investigations thoroughly, fairly, with discretion and in a timely manner. Violations of our Code, laws, rules, regulations, or Citi policies or procedures may result in disciplinary action up to and including termination of employment.

Citi furthermore prohibits any form of retaliatory action against anyone who raises concerns or questions in good faith regarding ethics, discrimination, or harassment matters or reports suspected violations of other applicable laws, regulations, or policies; or participates in a subsequent investigation of such concerns. Retaliation is a serious issue and includes any adverse action taken because an employee has engaged in such activity. As part of any investigation, we respect the rights of all parties related to the matter afforded under applicable laws and regulations. Employees who engage in retaliation against a colleague because he or she has raised a concern or question in good faith, reported a violation, or been involved in an investigation are subject to disciplinary action, up to and including termination of employment or other relationship with Citi.

b. In our supply chain

- **Risk assessment:** As part of our current efforts to assess whether our suppliers meet our wide

range of human rights and sustainability standards, where appropriate we require their completion of a Citi Corporate Responsibility Questionnaire (CRQ), which is managed by our Citi Supply Chain Development, Inclusion, and Sustainability team. The CRQ has been active since 2014 and was extended to all regions (NAM, LATAM, EMEA & APAC) in 2016. As described in previous statements, we had added additional modern slavery questions to the EMEA CRQ's existing labor related questions. In 2019, we initiated a comprehensive review and revision of the CRQ as part of a broader supply chain technology enhancement. This revision will further integrate modern slavery risk assessment and engagement into Citi's supplier engagement tools.

In addition to this, in FY2017 Citi initiated a modern slavery risk assessment focused on 1,333 EMEA suppliers with contracts over certain minimum financial thresholds. The risk assessment was developed with external experts using a methodology drawing upon official government assessments, such as the U.S. Trafficking in Persons Report, and other third-party research, to evaluate suppliers on well-established risk factors, such as industry and country or jurisdiction of operation. As detailed in our FY2017 UK MSA Statement (see [p.6 and Appendix thereof](#)), the risk assessment assigned a risk categorization to those suppliers (high, medium and low).

- **Direct supplier assessment and engagement:** Building on the 2017 risk assessment, in 2018 we initiated a pilot for enhanced vendor outreach to the highest risk suppliers in the following sectors: building services, cleaning services and supplies, catering services, ground transportation and other transportation sectors. We expanded this work in 2019 to target 219 suppliers with enhanced due diligence questions around their specific policies and procedures to identify, prevent and mitigate risks of modern slavery in their operations and supply chains. We are using the initial responses from these highest risk suppliers to develop a methodology for assessing and categorizing the quality of the supplier information provided so the program can be rolled-out globally and higher-risk suppliers can be screened and escalated for further engagement in a consistent fashion across regional Sourcing teams.

c. In our clients' activities:

Citi's work in engaging clients on these issues takes the form of setting policies, conducting systemic risk assessments, engagement in financial sector initiatives and specific industry platforms, as well as client screening and transaction-specific interventions.

- **Connection to Anti-Money Laundering efforts:** Citi policies, such as our anti-money laundering policies and Know Your Client protocols screen transactions for indicators of human trafficking. As part of these efforts, Citi's Anti-Money Laundering Analytics unit continues to work on criteria to identify the flow of funds suggestive of human trafficking using a method called Far From Home.

This work remains effective in certain countries, while proof of concept tests and research continue for implementation in additional countries, which will not only help determine whether the new approach is productive and useful, but also help test whether certain flagged activities could constitute useful indicators on a global level.

- To advance the financial sector's collective ability to combat money laundering linked to human trafficking and modern slavery more broadly, Citi has participated in or contributed to a number of industry-wide collaborative initiatives, discussions and publications, including:
 - **In partnership with the UN: Finance Against Slavery and Trafficking (FAST) Initiative's** Survivor Inclusion Initiative, a new project to support survivors of modern slavery and human trafficking in accessing financial services by providing financial institutions, service providers, regulators, governmental actors and other key stakeholders a framework to match identified survivors with basic financial services, such as checking and savings accounts and/or debit cards. The Survivor Inclusion Initiative is currently in a pilot phase. FAST is led by a coalition of twelve leading banks, including Citi, and six survivor service organizations in North America and Europe. The program was launched in September 2019 at the United Nations General Assembly by the Financial Sector Commission on Modern Slavery and Human Trafficking.
 - **Information Sharing Forum with UK law enforcement: The Joint Money Laundering Intelligence Taskforce (JMLIT)**, an ongoing public-private partnership that enhances information sharing between the financial sector and law enforcement to prevent, detect and disrupt money laundering and wider economic crime threats against the UK. Citi's Global Investigations Unit (GIU), which counts bankers, former financial crimes law enforcement personnel and attorneys among its senior leaders, represents Citi AML as an active participant in the JMLIT Human Trafficking Expert Working Group.
 - **The Asia Pacific Banks Alliance Toolkit**, launched in 2019 by The Asia Pacific Banks Alliance, a multi-stakeholder working group convened in 2017 by the Thomson Reuters Foundation in collaboration with the Mekong Club, an NGO based in Hong Kong. The Toolkit is designed to help financial institutions fight human trafficking using red flag indicators. Citi's GIU contributed typologies and other information to the Toolkit.
- **Portfolio and sector-level risk assessment and engagement for forced labor and child labor:** Citi's Environmental and Social Risk Management Policy prohibits Citi from directly financing projects or activities involving harmful or exploitative forms of forced labor and child labor. Citi also has in place a portfolio-wide human rights process to screen for the most salient human rights risks across our portfolio, including risks of modern slavery. Utilizing third-party data and our

own research, we screen for indicators of an elevated risk of forced labor and child labor that would place a client on our ESRM watchlist, flagging that client for enhanced due diligence to determine if the client has in place adequate policies and procedures to prevent these practices. To enhance our ability to detect risks of modern slavery in the palm oil sector under our existing Palm Oil Sector Standard, in 2018 we added questions related to systemic labor risks on palm oil plantations to our sector questionnaire, with a particular emphasis on child and forced labor.

- **Transactional due diligence:** In addition to such systemic risk assessment and engagement, we conduct due diligence and work with our clients on identifying, preventing and mitigating the risks of modern slavery in transactional due diligence and ongoing monitoring of projects and during client annual reviews. In 2019, Citi reviewed a potential credit facility for a sovereign domestic industry development corporation aimed at providing capacity-building grants and other financing to an agricultural sector with well-documented high rates of child labor. We were concerned that our financing could be perceived as providing direct support to child labor practices in that industry. We also considered if there were ways, as a condition of financing, to require improved standards to avoid child labor, or to earmark certain tranches of the financing for funding towards child labor prevention programs that could be distributed together with other grants for improving agricultural processes. After initial discussions, we did not end up moving forward with the transaction but we continue to search for opportunities for our financing to be used as a tool to help improve labor practices on the ground. For additional recent transactional and client relationship reviews, see our [FY2018](#) UK MSA Statement. For ongoing monitoring, Citi has been experimenting with our clients to apply new technologies to help detect forced labor conditions after financial close. For example, in order to identify potential circumstances of forced labor in a construction project in the Middle East, we worked with Ulula, a worker welfare technology company, to establish an SMS-based worker survey system for vulnerable migrant workers. Once operational, the SMS service will enable workers to report circumstances that could amount to forced labor, such as restrictions on freedom of movement or underpayment of wages, or other poor working conditions, such as inhumane worker accommodations. These grievances will be reported to a neutral third party and, should situations that violate our labor policy be found, the client is bound by loan covenants to address them expeditiously and provide a remedy.

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 2020 financial year, particularly related to enhancing our initial efforts on supplier risk assessment and engagement. We are also evaluating ways to adapt our modern

UK Modern Slavery Act Statement (FY2019)



slavery awareness training to other functions beyond our supply chain personnel.

Signed by:

This statement has been approved by the boards of directors of Citigroup Global Markets Limited, CIB Properties Limited and Citigroup Centre 1 Limited, the executive committees of Citibank, N.A., London Branch and Citibank Europe plc, UK Branch, and the board of directors of their ultimate parent company, Citigroup Inc., each of whom 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.
March 2020