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1. Purpose of the Statement

This statement is made by Citigroup Global Markets Limited, CIB Properties Limited, Citibank UK Limited, R.B. Bishopsgate Investments 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 pursuant to section 54 of the United Kingdom’s Modern Slavery Act 2015 (“**UK MSA**”) and covers the financial year from 1st January, 2020 to 31st December, 2020 (“**FY2020**”).

This statement summarizes Citi’s current approach to modern slavery and sets out the actions that we undertook in FY2020 and plan to take in the future to address the risk of modern slavery in our operations and supply chain. We know that eradicating slavery, human trafficking, servitude and forced labour, including the worst forms of child labour (“**modern slavery**”) presents a global challenge for governments and business.

As a financial services organisation with a professional workforce, Citi considers the risk of modern slavery within its direct business operations to be low. However, Citi recognises that, through its supply chain, investments and customers, it can be indirectly exposed to the risk of modern slavery and human trafficking. As a global financial institution, we recognise our responsibility to be aware of the risks of modern slavery within our own organisation and supply chain, including those exacerbated by the COVID-19 pandemic, and to do our utmost to contribute to its eradication wherever we have effective leverage to work towards that goal.

2. Citi's structure, business operations and supply chain

a. Corporate structure and business operations

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 (“**ICG**”) that serves approximately 13,000 institutional and corporate clients (including approximately 90 percent of the global Fortune 500), and our Global Consumer Bank (“**GCB**”), which serves over 100 million customers in 19 markets globally. Collectively, our approximately 200,000 full-time employees conduct business in 98 countries. The ICG builds and maintains relationships with clients by providing a suite of strategic advisory and financing products to multinational and local corporations, financial and public sector institutions, and governments in more than 160 countries and jurisdictions. ICG is organised into six groups, namely (i) Banking, Capital Markets and Advisory (“**BCMA**”); (ii) Markets; (iii) Securities Services; (iv) Treasury and Trade Solutions (“**TTS**”); (v) Citi Private Bank (“**CPB**”); and (vi) Citi Commercial Bank (“**CCB**”).

Citi's GCB serves more than 100 million clients across the world, competing based on its global footprint, its local presence and knowledge, and its ability to deliver a consistent and enhanced banking experience. The primary business lines include (i) Branded and Private-labelled credit cards; (ii) Retail Banking (including basic banking products and sales of investment products); and (iii) Mortgages.

In the United Kingdom, our business focuses on private wealth management and investment services, commercial banking and multi-currency banking. For more information about our business, please see our [website \(Citi at a glance\)](#) and [Annual Report](#).

b. Citi's supply chain

As a global firm, Citi has a large and diverse supply chain. Annually, Citi transacts with approximately 15,000 external service providers, i.e., suppliers, around the world. We have sustained business relationships with approximately 8,600 of these suppliers, which are monitored in accordance with several

risk management policies. We transact with approximately 1,250 suppliers in the UK. Further details about Citi's supplier relationships are set out below in Section 4.f, as well as on our [Resource Management Organisation](#) ("RMO") website, which covers Citi's supply chain function.

3. 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 labour issues encompassing forced labour and child labour, through our centralised Sustainability & Environmental Social and Governance ("ESG") and Environmental and Social Risk Management ("ESRM") teams, which sit within Citi's Global Public Affairs and ICG Risk functions respectively. The Sustainability & ESG team is led by Citi's Chief Sustainability Officer, who reports to the Head of Global Public Affairs, who in turn reports directly to our Chief Executive Officer. The RMO is responsible for global supply chain practices across different regional teams. Citi's global Anti-Money Laundering function ("AML") has responsibility across the firm for client and transactional due diligence on AML risk, including those related to modern slavery. These functions work collaboratively with other enterprise functions at Citi to ensure our policies and procedures meet legal requirements of jurisdictions in which we do business while respecting internationally recognised human rights and associated standards.

Citi's Board of Directors has ultimate oversight of Citi's global approach to considering, evaluating, and integrating our response to human rights and other risks throughout the organisation. The Nomination, Governance, and Public Affairs Committee ("NGPAC") of the Board plays an integral role in executing the Board's oversight of sustainability issues, including modern slavery as an aspect of human rights, and is briefed at least annually by the Chief Sustainability Officer on key sustainability issues, trends, and results. The NGPAC also reviews Citi's governance and significant policies and programmes for sustainability and human rights issues, and advises Citi management on our engagement with investors and major external stakeholders on such sustainability and human rights matters. For more information on the roles and responsibilities of the NGPAC, please see our [NGPAC Charter](#).

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. Key policies and principles relevant to modern slavery

Prior to the enactment and entry into force of the UK MSA, Citi had issued statements and created global policies in relation to human rights and labour issues that encompass our commitment to contributing to the work of eradicating practices constituting modern slavery. These include the following, which are

periodically updated:

1. 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 Organisation's Core Conventions, which encompass forced labour and child labour;
2. 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 concerns from members of our workforce, supply chain participants, or the public;
3. Citi's [Environmental and Social Policy Framework](#), which encapsulates our approach and the standards we apply to environmental and social issues in the financing of our clients' activities;
4. Citi's [Statement of Supplier Principles](#), which communicates our expectations on human rights and labour issues to our suppliers;
5. Citi's [Requirements for Suppliers](#), which facilitate compliance by suppliers with Citi's policies and expectations in the course of providing services to Citi; and
6. Citi's Global AML policies and Know Your Client ("KYC") 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.

These policies and principles are applied across Citi's global operations, including all entities covered by this Statement.

Citi is also a signatory to the United Nations Global Compact, whose Ten Principles include the elimination of all forms of forced and compulsory labour and the effective abolition of child labour. In addition, Citi supports the United Nations Guiding Principles on Business and Human Rights (the "**UN Guiding Principles**") and is continually working internally to 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 [ESG Report](#).

4. Risk assessment, due diligence and preventive action processes

This section identifies the risks of modern slavery practices in Citi's global operations, supply chain and financing client activities and describes the actions we have taken to assess and address these risks. Reflecting the approach of the UN Guiding Principles, we have focused on areas in which Citi could be

causing, contributing to or directly linked to practices constituting modern slavery.

Based on a high-level assessment of our operations, our assessment is that the risk of modern slavery occurring in Citi's own hiring practices and engagement of workers is low, mainly due to the use of a predominantly high-skilled, professional workforce that is mostly recruited directly by Citi. Employees are employed in accordance with applicable local legislation and applicable local collective bargaining agreements.

We have identified our primary risks of modern slavery as present in (1) our supply chain, particularly the procurement of products and services involving low-skilled labour, or sourced from countries with weak governance or labour standards; and (2) our clients' activities, depending on the sector and country of operation. As described below, we have existing processes in place to address risks in both areas, which we continued improving upon in 2020 and expect to continue enhancing in the future.

The table below describes Citi's assessment of risk in our business activities, including our operations, supply chain and provision of financial services and products to corporate clients and consumers. A range is provided for supply chain and client activities because of the sheer number of third parties involved, which fall on a spectrum of potential risk.

Business Activities	Risk Assessment
<u>Operations</u>	
a. Engagement of workers	Low
b. Managed or operated joint ventures	Low
c. Charitable activities	Low
d. Distribution, purchasing, marketing, branding and sales	Low
<u>Other business activities</u>	
e. Equity and other investments	Low
f. Supply Chain	Low-High
g. Clients' and customers' activities	Low-High

a. Operations: engagement of workers

Globally, as at the end of 2020, we had approximately 200,000 full-time employees and less than 3,000 part-time employees. The vast majority of our employees are recruited directly. In addition, Citi may engage external supplier personnel (i.e. 'non-employees') for a variety of different business purposes, including project-based work for a defined period, securing specialised or niche skill sets that are not readily available, or obtaining professional services and outsourced services. This consists of personnel in a wide variety of roles, which can include IT developers, legal, risk or compliance support resources, auditors, security guards and medical staff. These non-employee resources can be assigned to Citi's

premises or operate from supplier sites. Citi has approximately 7,973 employees in the UK. In addition, in the UK there are approximately 2,700 non-employees, primarily engaged in facilities management and operations, general services and security services.

Risk assessment: The risk of modern slavery occurring across our employee population as a result of Citi's hiring practices and employment practices is low, mainly because of the use of a skilled, professional workforce. Citi does not seek to recruit lower-wage workers from vulnerable populations such as migrant workers. In addition, Citi has a strong set of global policies and procedures to ensure fair and equitable treatment and remuneration of employees and non-employees. This includes Citi's Code of Conduct, internal recruitment policies across our businesses and internal recruitment efforts as described below. The identification and management of risks of modern slavery for supplier personnel are covered by Citi's Requirements for Suppliers and Corporate Responsibility Questionnaire ("**CRQ**") (see section 4.f – Supply Chain).

Due diligence and preventive action: Citi takes the way our employees and non-employees are treated in the workplace seriously, including in the recruitment process. The candidate screening process includes review of individuals' proof of identity, address, and right to work in the country where the job is located, among other items. For Citi's employees, this is conducted by Citi, and for non-employees, the supplier, as the employer, is similarly responsible for screening their resources assigned to Citi. Before joining, Citi's employee candidates are informed as to how they will be compensated for their work, and the specific terms and conditions of employment. Similarly, prior to starting assignment with Citi, non-employee personnel are informed of their compensation and terms of engagement from their supplier. As stated above, Citi complies with applicable legislation and collective bargaining agreements in relation to employees' wages and working conditions.

Suppliers have primary responsibility for performing background checks on their personnel, and may be asked to validate that screening was performed according to Citi's standards, as outlined in the Citi Requirements for Suppliers. Recruitment and placement agencies used by Citi must comply with Citi's third-party requirements, including Citi's Supplier Principles and Requirements for Suppliers (refer to section 4.f on Supply chain below).

Once engaged, employees and non-employees are subject to our global Code of Conduct, which is publicly available in 21 languages. Under the Code of Conduct, 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 behaviour.

To help identify any unacceptable workplace practices and to assist in identifying and remedying misconduct, members of Citi's workforce are expected immediately to report unacceptable conduct, and promptly escalate violations or potential violations of law, regulation, rule, or breaches of policy, standard, procedure, or our Code of Conduct. There are multiple channels available to members of Citi's workforce, and any third party, to raise such concerns, including our global Ethics Hotline. Concerns to the Ethics Hotline may be reported anonymously to the extent permitted by applicable laws and regulations. When concerns are raised with respect to potential misconduct, Citi seeks to conduct investigations thoroughly, fairly, with discretion, and in a timely manner. Violations of our Code of Conduct, laws, rules, regulations, or Citi policies, standards or procedures may result in disciplinary action up to and including termination of employment.

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

b. Operations: managed or operated joint ventures

Risk Assessment: Citi has a number of partnerships, joint ventures and commercial relationships with business partners in the markets where we do business. TTS has commercial arrangements with several outsourced vendors that provide Citi with products and services, including payments platforms and related technologies. Similarly, the ICG Markets business has commercial arrangements with brokerage firms to provide Citi customers with access to investment products. Given the nature of the services being provided to Citi by the TTS vendors and brokerage firms, i.e. payments platform and related technologies, transactional investment and / or financial services, the risk of modern slavery in both the TTS and ICG Markets businesses is low because workers in these sectors tend to be predominantly highly skilled and located in jurisdictions with strong worker protections.

Brokerage firms, which are on-boarded as Citi clients, rather than as third-party vendors, i.e. suppliers, must also be screened during on-boarding pursuant to client on-boarding protocols to mitigate risks. This screening includes an anti-bribery and corruption questionnaire; anti-money laundering and sanctions screening; negative news checks; and annual broker reviews. Citi's KYC and AML screening negative news checks include search terms inclusive of modern slavery risks.

Finally, the GCB Branded Cards business offers private label credit cards and payment platforms to various commercial partners. Any clients or transactions that utilise Citi's systems would be covered by Citi's KYC and AML screening negative news checks, which use search terms inclusive of modern slavery risks.

Due diligence and preventive action: To mitigate potential risks with commercial partnerships, new products or services, complex transactions, and new business or expanded business lines undergo a documented and auditable review and approval process to identify and evaluate significant risks to Citi and its clients, including economic, operational, regulatory, compliance, reputational and conduct risk. In addition, any commercial arrangement with a vendor who interacts directly with customers on behalf of Citi is covered by global policies and standards, including the New Products or Services, Complex Transactions, and Business Line Review Policy and the global Standard on New Products, Services and Lines of Business (Global Consumer Approval Committee Standard), which provide the standards and approval framework for new products, services, business or expanded business lines. These policies do not currently address modern slavery as a distinct risk outside of other reputational risk screening, so further consideration will need to be given to whether to integrate modern slavery risk assessments into review of new commercial partnerships.

Given the general low-level of risk inherent to the types of companies in which Citi enters into managed or operated joint ventures, the current level of screening has been deemed appropriate for now.

c. Operations: charitable activities and sponsorship activities

Risk Assessment: Citi and the Citi Foundation, a separate legal entity headquartered in the United States, engage in charitable activities globally. In addition, Citi and its affiliates sponsor various cultural and community organisations. Potential modern slavery risks could arise when Citi or the Citi Foundation select not-for-profit partners or sponsorship opportunities. However, the risk is considered to be low because charitable giving by both Citi and the Citi Foundation is directed only to registered charities and other organisations that have been vetted in line with the policies and procedures set out below. The funding for both charities and sponsorships is typically for designated programmes, which by their nature tend to be low-risk for modern slavery as they are in industries with a lower risk of modern slavery, such as cultural organisations.

Due diligence and preventive action: There is a thorough due diligence process in place as part of Citi's Charitable Contributions Policy and related standards and procedures that must be followed with respect to all charitable and not-for-profit partners that Citi or the Citi Foundation may consider engaging with as part of grant making or prospective sponsorship opportunities. This process includes both AML screening as well as negative news searches that include modern slavery-related search terms.

d. Operations: Distribution, purchasing, marketing, branding and sales

The Digital Sales and Marketing team is responsible for managing Citi's consumer brand, for new client acquisition for Citi's branded cards and loans, for managing marketing technology for Citi's consumer franchise, and for managing consumer and market research for the consumer franchise. The team works with various stakeholders across the GCB and external parties including media, creative, web services, research and sponsorship agencies, brand and co-brand partners and dining agencies. Some of these relationships would be managed as part of Citi's supplier management programme described below.

e. Equity and other investments

Risk Assessment: Citi's businesses hold certain equity and equity-like investments in various entities, including mortgage-backed securitization trusts, among other investment vehicles. The equity stake in these investments is typically well below ownership or control of the entities. Therefore, for reporting purposes, those entities do not form part of Citi's operations. However, as a shareholder, Citi can still be directly linked to modern slavery risks through its investments. Of Citi's global portfolio of investments, the vast majority are in sectors that are considered to have a lower risk of modern slavery such as finance, insurance, management of companies, utilities, real estate, and professional scientific and technical services.

Due diligence: All proprietary equity and equity-like or other investments are covered by the Citi Equity Investment Policy and Citi Standard on New Products, New Services, and Complex Transactions for ICG. The Environmental and Social Risk Management ("**ESRM**") Policy applies to equity investments of USD 5 million or more. All investments covered by the Citi Equity Investment Policy must be reviewed and approved by the sponsoring business and all relevant control functions, including approval by the appropriate regional and/or global New Product Approval Committee ("**NPAC**"), global Consumer Product Approval Committee ("**CPAC**") and / or equivalent committee with the primary purpose to ensure that control-related or other support issues (e.g., bank regulatory, legal, risk management, finance, compliance, etc.) are addressed. This includes AML due diligence and other assessments of risk, including those associated with any potential franchise. Where necessary, additional control functions such as ESRM or the Sustainability & ESG team can be brought into the NPAC process to consider modern slavery risk.

f. Supply chain

As noted above, Citi's management of modern slavery risks in its supply chain is guided by its Supplier Principles and Requirements for Suppliers. The Requirements prohibit specific practices that are indicators of forced labour or human trafficking. Suppliers are expected to adopt policies consistent with the Requirements and to affirm that they have received and read the Requirements upon on-boarding to Citi.

The Corporate Responsibility Questionnaire (“**CRQ**”), described below, assesses supplier conformance with these practices.

Risk assessment: As described in our previous Statements, Citi has engaged in a review process better to understand its exposure to modern slavery risk in its supply chain. This process has involved both top-down risk assessments and direct supplier assessments. As detailed in our FY2017 UK MSA Statement (see [p.6 and Appendix thereof](#)), a risk categorization of high, medium or low was assigned to 1,333 Europe, Middle East and Africa (“**EMEA**”) suppliers with whom Citi had contracts over certain minimum financial thresholds. EMEA suppliers were prioritized for the purposes of reporting under the UK MSA since they were considered most relevant to Citi’s UK business. The risk assessment was developed with external experts using a methodology based on credible third-party sources, including the 2015 US State Department Trafficking in Persons Report and the 2016 [Global Slavery Index](#), and suppliers were evaluated against well-established risk factors such as industry and country of operation.

Due diligence

- Building on the 2017 EMEA risk assessment, in 2018 we initiated a pilot for enhanced vendor outreach to the highest risk suppliers in EMEA 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 EMEA 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.
- In 2019, our initial lessons from the risk assessment and pilot project helped us initiate a comprehensive review and revision of the CRQ as part of a broader supply chain technology enhancement initiative. This revision further integrated modern slavery risk assessment and engagement directly into Citi’s supplier engagement tools and enhanced our approach in several ways:
 - We expanded the coverage of the CRQ from a core grouping of 250 top suppliers to cover all of approximately 8,600 Citi-approved suppliers globally with whom we have an ongoing contractual relationship. The extension to suppliers proceeded in several tranches and will complete by the end of the second quarter of 2021;
 - We enhanced our processes to ensure that the CRQ is sent to and completed by suppliers during on-boarding and periodically for ongoing monitoring depending on their risk profiles; and
 - We deepened the scope of the risk assessment embedded in the questionnaire to ask screening questions based on supplier risk profiles and then several additional detailed questions focused on supplier practices, such as policies on prohibiting the withholding of

worker identity documents; prohibiting the use of unscrupulous labour brokers and charging of recruitment fees; provision of detailed contracts in language understood by the worker; and allowing workers to freely cancel their employment upon reasonable notice.

Actions taken to address modern slavery risks

- As described in previous UK MSA statements, in 2017 Citi updated its master contract templates for new EMEA supplier activity with modern slavery language.
- As detailed in our previous UK MSA statements, training has been provided to personnel in our Sourcing and Human Resources teams in EMEA. Building on these initial efforts and the 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 the course of 2019-20, 1,625 Citi supply chain personnel completed the training.

g. Clients' and customers' activities: AML and ESRM

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

Risk assessment: Modern Slavery can occur in every sector and anywhere in the world, though it is more prevalent in certain regions and countries. As a global bank, Citi must remain vigilant for the risks associated with human trafficking, the proceeds of which could be laundered through the use of Citi's global transactional network that moves trillions of U.S. dollars equivalent in multiple currencies a day around the world. The risk is captured as part of Citi's global AML policies and KYC 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's ESRM Policy prohibits Citi from directly financing projects or activities involving forced labour and harmful or exploitative forms of child labour. The ESRM Policy applies across the firm to (i) transactions above certain financial thresholds for the financial product type in question where there is an identified use of proceeds directed to a specific physical asset or project (usually through application of the Equator Principles); (ii) to client relationships covered by sector standards; (iii) client relationships flagged for elevated environmental, social or reputational risks for various reasons, including the ESRM Areas of High Caution, controversial assets or industry-lagging performance on environmental or social issues. For these clients, Citi's ESRM unit reviews individual transactions and/or annual client credit reviews (frequency dependent on the relevant risks identified), prioritising them for engagement on ESRM issues.

The ESRM Policy's Areas of High Caution capture risk factors in clients' activities that can lead to elevated human rights risks that require enhanced due diligence. These factors can include when a transaction involves a project in countries or regions with a history of known human rights abuses relevant to the sector and weak enforcement of labour laws, especially occupational health and safety and freedom of association or projects involving in-migration of large labour forces, which can lead to a higher risk of human trafficking or forced labour.

Due diligence and preventive action: Citi's client and customer due diligence activities to address the risks of modern slavery are risk-based. For recent transactional and client relationship reviews by the ESRM team, see our [FY2019](#) and [FY2018](#) UK MSA Statements. In addition, in 2020 Citi engaged in extensive due diligence with respect to allegations related to certain of Citi's clients involving forced labour in the palm oil sector and other manufacturing in Southeast Asia, as well as in China.

Citi's AML risk due diligence is also risk based, with a focus on detecting, managing and mitigating financial crimes associated with money laundering and terrorism financing. Modern slavery is closely associated with money laundering, as human trafficking creates significant profits that have to be laundered. Banks have a role in using financial information to detect, disrupt and dismantle human trafficking networks. Citi has an obligation to report any information that may be relevant to the investigation of or prosecution of a person for a money laundering offence and other crimes. Any information that may be of assistance in the enforcement of proceeds of crime is also a key criteria for reporting suspicious activity.

Modern slavery risks associated with money laundering are identified and mitigated through: (i) customer due diligence ("**CDD**"); (ii) red flags and key indicators, including big data mining and analysis; (iii) transactions analysis; (iv) key partnerships, including with law enforcement and civil society; and (v) training.

1. AML customer due diligence

AML regimes require financial institutions to conduct CDD at the beginning of a commercial relationship, during the process of on-boarding a new client, and then periodically thereafter while a relationship remains in place. CDD can reveal modern slavery risk indicators in one of three areas: 1) through client behaviour; 2) through KYC processes; and 3) during the business relationship, for example through transaction pattern analysis. CDD is performed on all customers in accordance with our global AML Policy. As part of this process, new customers are assessed through a model and assigned a risk rating. Enhanced CDD is performed on customers where Citi determines that the customer presents a high money laundering risk.

Citi's clients are subject to KYC name screening at various points throughout the client relationship, including: during new customer on-boarding; scheduled reviews (when client information and activity is analysed periodically); and when material change events occur (for example, if key information has been

updated within the client's KYC profile).

A core component of this screening is a search for negative news, which is required reasonably to discern a customer's reputation and/or involvement in any criminal or risky activities. Citi has created three categories of reputational risk that are classified based on the severity and type of derogatory information concerned. Under Citi's Name Screening Standard, "trafficking of human beings and migrant smuggling, including the trafficking of human organs and sexual exploitation, including sexual exploitation of children and child pornography" are categorized as Category A crimes, the most severe financial crimes. Under the Standard, Citi should not do business with individuals or entities involved in Category A crimes and any client triggered for such risk would need to be escalated for further due diligence and approval.

2. Red flags - key indicators and detection scenarios

Potential financial red flags have been identified by regulators, law enforcement and other international organisations dedicated to preventing money laundering, terrorist financing and other crimes. While there are no scenarios specifically calibrated exclusively for the detection of modern slavery, to help identify potential risks of modern slavery, Citi applies general detection scenarios designed to identify red flags indicative of any type of illicit activity. The existence of odd patterns of linkages in demographic, business, and/or transaction data may signify attempts to disguise or hide relationships and thus criminal syndicates and their collective financial activity. Upon detection of activity suggestive of potential human trafficking, AML intelligence units will submit a Suspicious Activity Report to regulators in accordance with local laws and regulations. The investigative unit will also undertake additional post-investigation actions, including recommending exit of client accounts to the business.

3. Key Partnerships and associations

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 at both the global and local levels with peers, regulators and civil society, led by Citi's Global Investigations Unit ("GIU"), among others in AML. The GIU, which counts bankers, former financial crimes law enforcement personnel and attorneys among its senior leaders, maintains partnerships with various nonprofits and law enforcement agencies globally, which allows for a robust dialogue regarding human trafficking and the development of ideas that stimulate industry-wide engagement to help address this important issue.

With law enforcement

- **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. The GIU represents Citi AML as an active participant in the JMLIT Human Trafficking Expert Working Group. Approximately a third of intelligence received via the JMLIT relates to human trafficking (inclusive of modern slavery). We review the referrals related to human trafficking and escalate activity to the authorities in the UK and elsewhere as appropriate.

- **In Australia:** GIU's APAC team regularly engages with law enforcement agencies (“**LEAs**”) in the region, in particular the international LEA representatives in the region from the US, UK and Interpol. Citi has participated in financial services industry and LEA engagement through the Asia Pacific Group on Money Laundering's typology workshops on human trafficking and modern slavery, which brings together LEAs and financial services firms from across the region. Citi has also participated in similar workshops hosted by the Joint Centre for Law Enforcement Co-operation (“**JCLEC**”), a law enforcement training college co-hosted by the Australian Federal Police and the Indonesian National Police. This engagement includes the sharing of specific intelligence and typologies by these LEAs.
- **In NAM:** The GIU in North America participates in an annual initiative with law enforcement and industry partners, focused on identifying potential human trafficking related to the Super Bowl, a national event during which human and sex trafficking allegedly increases substantially.

With peers and other stakeholders

- **The United Nations' Finance Against Slavery and Trafficking (FAST) Initiative's Survivor Inclusion Initiative:** This is an ongoing programme initiated by the United Nations that supports 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 cheque and savings accounts and/or debit cards.
- **The Asia Pacific Banks Alliance/Mekong Club:** As described in prior Statements, the GIU's APAC team regularly engages with the Mekong Club, an NGO based in Hong Kong dedicated to fighting modern slavery. In addition to having contributed to The Asia Pacific Banks Alliance Toolkit developed in 2019, the APAC GIU team attends the Mekong Club's regular training sessions, including a session in 2020 on COVID-19 and its impact on the hospitality industry, which is very vulnerable to modern slavery and sexual servitude.
- **Financial Coalition Against Child Sexual Exploitation:** The GIU NAM team participates in this working group, which consists of various members including the International Centre for Missing

and Exploited Children (“**ICMEC**”), the National Center for Missing & Exploited Children (“**NCMEC**”), and representation from the financial sector. This working group has set up a pilot for a “Rapid Response” programme where the financial sector obtains information from law enforcement related to Amber Alert cases via NCMEC in order to review for bank touchpoints and provide information back to law enforcement in accordance with legal/regulatory requirements.

- **NGOs:** The GIU partners with several NGOs on a global scale, including, but not limited to, Polaris, Stop the Traffik, the ICMEC, and Liberty Global. These organisations provide typologies, trainings and red flag indicators that support Citi's AML's active work on human trafficking, including data mining and analytics and transactional reviews. Given that these partnerships exist across the globe, this allows for region or country-specific information to be shared and explored by Citi AML globally.

Effectiveness of AML efforts

The activities and partnerships that support our AML Monitoring programme have been in place since 2009, and are subject to periodic (scheduled) tuning and optimisation, independent validation and review by Citi's Internal Audit group.

AML case studies

Citi AML, in particular the GIU and Data Intelligence team, conduct active projects that target modern slavery indicators and red flags across regions. Since these are targeted investigations, they focus on a specific type of potential modern slavery activity exposure within the bank. Related GIU investigations have addressed human trafficking and forced labour, resulting in client exits, regulatory escalations to authorities, and feedback and training to Citi's staff. Examples of recent projects ongoing through 2020 include:

- **Far From Home:** Citi AML's Data Intelligence 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 some countries, while proof of concept tests and research are underway in additional countries, which will not only help to 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.
- **China:** Working with the Data Intelligence team, Citi's APAC GIU has been focusing on a number of human trafficking and forced labour issues linked to certain provinces in China.
- **Online escort services:** EMEA GIU has conducted targeted, active research of Citi's data to identify bankcard transactions to online escort services known by UK law enforcement to facilitate

human trafficking.

- **Sexual servitude and human trafficking in Hong Kong:** APAC GIU conducted a project across Citi's Hong Kong business, seeking to identify exposure to human sex trafficking supply chain in the Hong Kong sex industry. In Hong Kong, in general, prostitution is not illegal; however, running a brothel or trafficking persons for the purpose of prostitution are illegal. Research indicated that organized crime groups – to circumvent legislation targeted at business-owned brothels – have established one-woman brothels characterized by a woman taking a lease on a small apartment in specific locations in Hong Kong and operating from that location in a situation of sexual servitude. Utilizing transactional and demographic characteristics and red flags associated with this activity, APAC GIU identified activity consistent with this typology and appropriate action was taken.
- **Child sexual exploitation:** In the aftermath of a regulatory action against a peer bank in Australia, Australian Transaction Reports and Analysis Centre (“AUSTRAC”) and the Fintel Alliance (Australia’s AML Public Private Partnership) issued a guidance on financial indicators and red-flags associated with child sexual exploitation for financial gain. Subsequently, Citi’s APAC Data Intelligence Unit, with the Australian AML teams, conducted a review of Australian data utilising the specific child sexual exploitation red flags stated in the guidance. Concurrently with this review, APAC GIU conducted an additional review of all flows through Citi originating from or involving the peer Australian bank. A separate project, currently in the planning stage and in co-ordination with ICMEC, will actively target Citi’s customers utilising known behavioural, demographic and transactional red flags associated with this activity.
- **Data mining initiatives:** GIU teams in APAC and Mexico have collaborated with the Data Intelligence team to initiate reviews related to data mining of Citi’s internal transactional data, using known regional and specific jurisdictional typologies and red flags to identify transactional activity that may be indicative of modern slavery and human trafficking, including child exploitation. The engagement between the GIU and Data Intelligence teams is ongoing, and additional initiatives in other regions are targeted for initiation in 2021.
 - **APAC:** this project is collectively targeting Australia, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam, primarily covering Citi’s consumer and commercial portfolio.
 - **Mexico:** this project focuses on a review of activity in Citi’s consumer business in Mexico that could potentially be linked to illicit activities linked to child exploitation.

5. Enhancing effectiveness in future reporting periods

It is difficult to measure the effectiveness of Citi's actions at identifying and managing modern slavery risks. However, we are committed to the continuous improvement of our processes and actions taken to address modern slavery risks within our operations, our supply chains and in our financing of client activities. As part of our efforts to improve the effectiveness of the steps we have taken above, we shall evaluate additional steps during the course of the 2021 financial year, particularly related to enhancing our initial efforts on (1) supplier risk assessment and engagement; (2) training across functions; and (3) extension of risk assessments to different policies and processes, including financing of various corporate sectors.

In addition, we intend to develop the below processes to enhance effectiveness and our measurement of it in the future, including certain pilot measures in the UK and others taken globally, including:

- Establishing a review by Citi's UK senior management of its response to modern slavery.
- Conducting ongoing reviews of existing policies and procedures globally.
- Tracking actions taken and developing systems as proxies for effectiveness, such as:
 - The proportion of Citi's UK direct equity investments in which modern slavery due diligence has been conducted.
 - The number of employees who have been provided with modern slavery training globally, in all activities. Currently, virtually all Citi employees and a large number of non-employees are required to and do take the global AML training, which includes reference to human trafficking. Further efforts will be taken to develop function-specific training that will help Citi's employees across diverse business and operational contexts to understand how these risks manifest themselves in different ways within Citi's business.

6. Approval

This statement has been approved by the Boards of Directors of Citigroup Global Markets Limited, CIB Properties Limited, Citibank UK Limited, R.B. Bishopsgate Investments Limited, Citigroup Centre 1 Limited, and the executive committees of Citibank, N.A., London Branch, and Citibank Europe plc, UK Branch, each of which will review and update it annually.

Signed by:

Jane Fraser
Chief Executive Officer
Citigroup Inc.

DATE: Jane Fraser 30/06/2021