

# CITI GREEN BOND REPORT



SEPTEMBER  
2019



# INTRODUCTION

Citi, the world's most global bank, has approximately 100 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services and wealth management.

In 2015, Citi announced its Sustainable Progress Strategy, with activities organized under three primary pillars: Environmental Finance; Environmental and Social Risk Management; and Operations and Supply Chain. Citi's flagship initiative, the \$100 Billion Environmental Finance Goal, is a commitment to finance and facilitate environmental solutions and activities that reduce the impacts of climate change globally over ten years (2014-2023).

One way in which Citi is committed to climate action is through underwriting for our clients and our own issuance of green bonds. According to the Climate Bonds Initiative, "green bonds are issued in order to raise finance for climate change solutions. The key is for the proceeds to go to green assets. They can be issued by central and local governments, banks or corporations and comply with the International Capital Markets Association (ICMA) Green Bond Principles."<sup>1</sup>

Citi issued our inaugural green bond on January 22, 2019 and further issued 18 green structured notes, which are bonds with a derivative component, prior to March 31, 2019. These issuances are aligned with Citi's Green Bond Framework, our broader sustainability objectives and the Green Bond Principles.

Citi's Green Bond Eligibility Criteria, as defined in the Green Bond Framework, include renewable energy, energy efficiency, sustainable transportation, water quality and conservation, and green building, and is aligned with the environmental finance criteria of Citi's \$100 Billion Environmental Finance Goal.

## ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

### The United Nations Sustainable Development Goals (SDGs) were adopted in September

2015 and form an agenda for achieving sustainable development by the year 2030. Citi's environmental finance activities and the use of proceeds for Citi's green bonds contribute to the following SDGs:



**SDG 7:** Affordable and Clean Energy, which includes targets to (i) increase substantially the share of renewable energy in the global energy mix, and (ii) double the global rate of improvement in energy efficiency



**SDG 9:** Industry, Innovation and Infrastructure, which includes targets to (i) develop quality, reliable, sustainable and resilient infrastructure, and (ii) upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes



**SDG 11:** Sustainable Cities and Communities, which includes a target to provide access to safe, affordable, accessible and sustainable transport systems for all, notably by expanding public transport

<sup>1</sup> The Green Bond Principles are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market. They provide issuers with guidance on the key components involved in launching a credible green bond and aid investors by ensuring availability of information necessary to evaluate the environmental impact of their green bond assets.

# CITI GREEN BOND FRAMEWORK SUMMARY

Citi's Green Bond Framework is aligned with the Green Bond Principles and follows its four key components: Use of Proceeds; Process for Project Evaluation and Selection; Management of Proceeds; and Reporting.

## GREEN BOND FRAMEWORK COMPONENTS

<b>Use of Proceeds</b>	<ul style="list-style-type: none"> <li>• Renewable Energy</li> <li>• Energy Efficiency</li> <li>• Sustainable Transportation</li> </ul>	<ul style="list-style-type: none"> <li>• Water Quality &amp; Conservation</li> <li>• Green Building</li> </ul>
<b>Process for Project Selection</b>	<ul style="list-style-type: none"> <li>• Each project or asset included:             <ul style="list-style-type: none"> <li>– Meets Citi's Green Bond Eligibility Criteria included in the <a href="#">Green Bond Framework</a> for inclusion in Citi's Green Bond Asset Portfolio</li> <li>– Does not meet exclusionary criteria detailed below</li> <li>– Is reviewed by the Environmental and Social Risk Management (ESRM) team to ensure compliance with Citi's ESRM Policy, which includes the <a href="#">Equator Principles</a></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• If Citi's investment in any asset in Citi's Green Bond Asset Portfolio is terminated or if an asset no longer meets Citi's Green Bond Eligibility Criteria, Citi's Sustainability and ESRM teams will review and remove the asset from Citi's Green Bond Asset Portfolio. The only time an asset would become ineligible is if new information is raised either internally or externally</li> </ul>
<b>Management of Proceeds</b>	<ul style="list-style-type: none"> <li>• All green assets in Citi's Green Bond Asset Portfolio are tagged as "Green Bonds Eligible" within Citi's global credit management system</li> </ul>	<ul style="list-style-type: none"> <li>• Citi established a Green Bond Asset Working Group that is responsible for the supervision and review of Citi's Green Bond Asset Portfolio and total aggregate amount of green bonds issued by Citi</li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>• Along with Citi's annual Global Citizenship Report, Citi will publish a green bond report on its website within a year from issuance and will renew it annually until full allocation and in case of any material changes</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting will detail:             <ul style="list-style-type: none"> <li>– Applicable details of assets, along with Citi's financial commitments to each asset</li> <li>– Total amount of unallocated proceeds, if any</li> <li>– Environmental impacts of Citi's Green Bond Asset Portfolio, to the extent data is available and relevant for reporting</li> </ul> </li> </ul>

### EXTERNAL REVIEW

Sustainalytics, an independent provider of sustainability research, analysis and services to investors and other financial institutions globally, has provided an assessment and second party opinion on Citi's Green Bond Framework's alignment with the transparency and reporting requirements of the Green Bond Principles. This review is available on Citi's Fixed Income [website](#).

Independent accountants have been engaged to review that the Outstanding Balance<sup>2</sup> in Citi's Green Bond Asset Portfolio is equal to or greater than the outstanding balance raised by Citi green bonds and if at any point in the future the total amount of the outstanding bonds is less than the Outstanding Balance in Citi's

Green Bond Asset Portfolio, the difference will be held in cash, cash equivalents and/or other liquid marketable instruments (including U.S Treasury securities) in Citi's liquidity portfolio.

### EXCLUSIONARY CRITERIA

Citi commits itself to not knowingly be involved in financing any of the following projects or activities through the proceeds of its green bonds:

- Large-scale hydropower plants that have a generation capacity of over 15 MW
- Nuclear power plants
- Fossil fuel projects, including refined or alternative coal technologies, gas-to-liquid projects and natural gas projects

<sup>2</sup> The Outstanding Balance is calculated as the aggregate total of outstanding loan exposure plus outstanding equity investments

# CITI'S GREEN BONDS

This Green Bond Report provides details of Citi's green bonds issued during 2019 and the composition and amount of Citi's Green Bond Asset Portfolio. Citi's Green Bond Asset Portfolio is composed of refinanced assets, with some completed projects and some still under construction. The total value of Citi's Green Bond Asset Portfolio will remain equal to or greater than the total amount of outstanding green bond offerings.

In January 2019, Citi issued its €1 billion 3-year inaugural benchmark green bond and has since issued a further \$143 million equivalent across 18 green structured notes, which are bonds with a derivative component. As of March 31, 2019, Citi had issued a total of \$1,279,914,111.69 of green bonds and structured notes. We account for the spot FX rate on the day of the pricing of the bond to calculate the USD (\$) equivalent amount.

## CITI GREEN BONDS ISSUED *(As of March 31, 2019)*

Issue Date	Currency	Amount Issued (\$ Equivalent)	Maturity	ISIN
22-Jan-19	EUR	\$1,135,976,371.69	29-Jan-22	XS1939355753
8-Feb-19	USD	\$2,000,000.00	16-Feb-21	XS1882591206
27-Feb-19	USD	\$1,500,000.00	8-Mar-21	XS1882579250
6-Mar-19	USD	\$3,524,000.00	13-Mar-24	XS1882590570
11-Mar-19	USD	\$12,430,700.00	15-Sep-22	US17326W7535
11-Mar-19	USD	\$6,810,000.00	16-Jun-22	US17326W6545
11-Mar-19	USD	\$10,620,000.00	15-Sep-22	US17326W7469
12-Mar-19	USD	\$400,000.00	25-Mar-22	XS1882574020
14-Mar-19	USD	\$1,000,000.00	22-Mar-21	XS1882566430
15-Mar-19	USD	\$500,000.00	2-Apr-24	XS1882577635
15-Mar-19	USD	\$3,229,000.00	18-Mar-21	US17326Y5J13
18-Mar-19	USD	\$14,043,200.00	20-Sep-22	US17326W6057
20-Mar-19	EUR	\$56,753,500.00	29-Mar-29	XS1273516192
26-Mar-19	USD	\$3,029,570.00	30-Mar-23	US17326W4490
27-Mar-19	USD	\$23,003,770.00	29-Mar-29	US17326W3658
27-Mar-19	USD	\$1,667,000.00	28-Mar-24	US17326YF686
27-Mar-19	USD	\$415,000.00	27-Apr-22	XS1882579094
27-Mar-19	USD	\$2,055,000.00	31-Mar-21	US17326YNG79
27-Mar-19	USD	\$957,000.00	11-Apr-24	XS1882570549
<b>Total Outstanding Green Bonds</b>		<b>\$1,279,914,111.69</b>		

## SUMMARY TERMS OF CITI'S INAUGURAL GREEN BOND ISSUANCE

**Issuer:** Citigroup Inc.

**Issue Date:** January 22, 2019

**Currency:** EUR

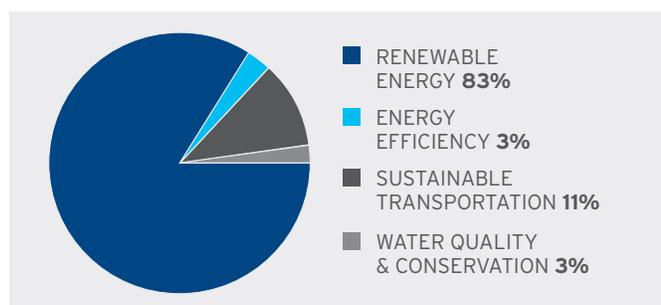
**Tenor:** January 22, 2019 - January 29, 2022

**Issued Amount:** €1 Billion

**Use of Proceeds:** An amount equal to the net proceeds of the sale of the Notes will be allocated exclusively to finance or refinance, in whole or in part, "Eligible Green Assets," which refers to assets that meet the Issuer's Green Bond Eligibility Criteria in accordance with the Issuer's Green Bond Framework. Citi maintains one portfolio for green bond assets to which proceeds from all green bonds are allocated.

## CITI'S GREEN BOND ASSET PORTFOLIO SUMMARY<sup>3</sup>

### CATEGORY



### GEOGRAPHY



## CITI'S OUTSTANDING BALANCE AS OF MARCH 31, 2019<sup>4</sup> (\$MM)

Category	Asia Pacific	Europe, Middle East and Africa	Latin America	North America	Total
<b>Renewable Energy</b>	\$5	\$7	\$33	\$1,081	\$1,127
<i>Geothermal</i>		\$7			\$7
<i>Solar</i>				\$336	\$336
<i>Solar glass manufacturing</i>	\$5				\$5
<i>Wind</i>			\$33	\$745	\$778
<b>Energy Efficiency</b>		\$4		\$26	\$29
<i>Energy Efficiency</i>		\$4		\$26	\$29
<b>Sustainable Transportation</b>	\$5		\$142		\$147
<i>Electrical mass transport system</i>	\$5				\$5
<i>Metro Line</i>			\$142		\$142
<b>Water Quality and Conservation</b>			\$47		\$47
<i>Smart Water Meters</i>			\$47		\$47
<b>Total</b>	<b>\$10</b>	<b>\$11</b>	<b>\$222</b>	<b>\$1,107</b>	<b>\$1,350</b>

<sup>3</sup> Confidentiality considerations restrict the project-level details that can be disclosed publicly for certain assets. Therefore a representative group of assets is included in this report.

<sup>4</sup> Figures may not sum to totals due to rounding

# IMPACT REPORTING CRITERIA

The environmental impacts of Citi's Green Bond Asset Portfolio are reported to the extent it is practical to do so and sound methodologies exist. All environmental impacts reported are estimated based on available actual data or proxy data.

Criteria	Metrics
■ Renewable Energy	<ul style="list-style-type: none"> <li>Total energy produced in Megawatts (MW) - added capacity</li> <li>Greenhouse gas (GHG) emissions avoided per year</li> </ul>
■ Energy Efficiency	<ul style="list-style-type: none"> <li>Megawatt-hours (MWh) saved/reduced per year</li> <li>GHG emissions avoided per year</li> </ul>
■ Sustainable Transportation	<ul style="list-style-type: none"> <li>Annual ridership of each transit system supported</li> <li>GHG emissions avoided per year</li> </ul>
■ Water Quality and Conservation	<ul style="list-style-type: none"> <li>Total population served by the system</li> <li>Number of water meters installed</li> <li>Volume of water (m<sup>3</sup>) saved/reduced/treated</li> </ul>
■ Green Building	<ul style="list-style-type: none"> <li>Number of units financed</li> <li>GHG emissions avoided per year</li> </ul>

## IMPACT ACCOUNTING METHODOLOGY

Reporting on estimated environmental impacts of Citi's Green Bond Asset Portfolio is completed in alignment with the recommendations of the ICMA Green Bond Principles Impact Reporting Working Group.

- We report the total environmental impact of the project and Citi's share of impact based on the Outstanding Balance as of March 31, 2019 for each asset.
- Notes on select metrics:
  - Total energy produced in MW is based on the potential installed capacity of a renewable energy project
  - MWh saved/reduced per year is based on the annual energy savings of an energy efficiency project
  - Avoided GHG emissions of an asset operating at normal capacity for one year, are calculated using capacity factors, total MW installed and Emissions & Generation Resource Integrated Database (eGRID) factors which are based on the geographic location of each project. eGRID factors have been updated to reflect the most recent data sets available
- For projects that meet sustainable transportation and water quality and conservation criteria, we have reported publicly available impact data
- A summary of Citi's Green Bond Asset Portfolio's estimated total environmental impacts and Citi's share of impacts based on the Outstanding Balance as of March 31, 2019 can be found on page 8. A list of individual assets and impacts can be found on page 13

## CITI'S GREEN BOND ASSET PORTFOLIO ESTIMATED ENVIRONMENTAL IMPACT SUMMARY<sup>5,6</sup>

■ Renewable Energy	Total Project Impacts		Citi's Share of Impacts <sup>7</sup>	
	Added Capacity (MW)	GHG Emissions Avoided Annually (mt CO <sub>2</sub> e)	Added Capacity (MW)	GHG Emissions Avoided Annually (mt CO <sub>2</sub> e)
Europe, Middle East and Africa	90	537,278	10	59,259
Latin America	100	127,970	17	42,657
North America	5,854	12,573,498	842	1,629,389
<b>Total</b>	<b>6,044</b>	<b>13,238,747</b>	<b>869</b>	<b>1,731,304</b>

■ Energy Efficiency	Total Project Impacts		Citi's Share of Impacts <sup>7</sup>	
	Energy Saved Annually (MWh)	GHG Emissions Avoided Annually (mt CO <sub>2</sub> e)	Energy Saved Annually (MWh)	GHG Emissions Avoided Annually (mt CO <sub>2</sub> e)
Europe, Middle East and Africa	-	6,791	-	6,791
North America	140,354	95,804	140,354	95,804
<b>Total</b>	<b>140,354</b>	<b>102,595</b>	<b>140,354</b>	<b>102,595</b>

■ Sustainable Transportation	Transit System Ridership Monthly
Asia Pacific	142,502,000
Latin America	39,409,884
<b>Total</b>	<b>181,911,884</b>

■ Water Quality and Conservation	Number of Water Meters Installed
Latin America	100,000
<b>Total</b>	<b>100,000</b>

<sup>5</sup> Figures may not sum to totals due to rounding.

<sup>6</sup> Confidentiality considerations restrict the project-level details that can be disclosed publicly for certain assets. Therefore, a representative group of projects is included in this report.

<sup>7</sup> Based on the Outstanding Balance as of March 31, 2019.

## FEATURED PROJECTS

Citi's green bonds help to finance projects with use of proceeds for renewable energy, energy efficiency, sustainable transportation, water quality and conservation, and green buildings. The following are examples of the projects that were refinanced under Citi's green bond issuances.

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### SPRINGBOK II SOLAR FARM

Citi provided tax equity financing and construction lending to affiliates of D. E. Shaw Renewable Investments, L.L.C. (DESRI) and 8minutenergy Renewables for construction of the 155 MWac Springbok 2 Solar Farm, located 70 miles north of Los Angeles in Kern County, California. Combined with the 105 MW Springbok 1 Solar Farm that DESRI and 8minutenergy started building in July 2015, the solar facilities generate enough clean, renewable energy to serve more than 110,000 Los Angeles households. The amount of greenhouse gas emissions avoided is comparable to removing over 70,000 cars from the road and the projects together created an estimated 600 direct and 700 indirect jobs during construction in Kern County.

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### RATTLESNAKE WIND PROJECT

In April 2017, Citi provided tax equity financing with BHE Renewables (a division of Berkshire Hathaway Energy) to the Chicago-based Goldwind Americas' 160 MW Rattlesnake Wind Project in McCulloch County, Texas. Citigroup Energy Inc. provided the long-term physical power hedge under which the project received a fixed power price. Goldwind Americas is a wholly-owned subsidiary of China-based Xinjiang Goldwind Science & Technology Co. Ltd., the largest manufacturer of permanent magnet direct-drive wind turbines in the world. This project is Goldwind's largest U.S. project to date, utilizing 64 of its turbines. The Rattlesnake Wind Project has brought significant economic benefit to the community of McCulloch County. During the height of construction, Goldwind and its construction contractors had more than 200 individuals working on site and currently have 10 permanent employees locally on staff to service and maintain the machines. Over the life of the project more than \$60 million will be injected into the local community in the form of land lease payments and local taxes.

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### BLOCK ISLAND OFFSHORE WIND FARM

In October 2016, Citi provided financing for the construction and operation of Deepwater Wind's Block Island Wind Farm, the first-ever U.S. offshore wind farm. Citi participated in the construction loan and provided tax equity financing along with GE. Block Island is a 30 MW wind farm, which utilizes five GE turbines and is located three miles off the coast of Block Island, Rhode Island. Each wind turbine is 600 feet (180 meters) high and can withstand a Category 3 storm. This is a landmark transaction in U.S. renewable power history and representative of the continuing growth of renewable energy development. The offshore installation took two years, with more than 300 local workers helping to develop, build and commission the project, according to Deepwater Wind. An independent report by the local Block Island government indicates that the Block Island Wind Farm will lower carbon dioxide emissions by 40,000 tons each year and is expected to save Block Islanders as much as 40 percent on energy bills. The wind farm has executed a 20-year power purchase agreement with the Narragansett Electric Company and started delivering power in December 2016.

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## **FORTUNE 100 TECHNOLOGY CLIENT**

In 2017, Citi closed a \$14 million LED lighting upgrade with a Fortune 100 technology client that covers four sites in four different states; the first of five tranches that would reach a total of 40 sites and \$50 million in improvements. The project was funded by Citi's loan and an investment by our equity partner, Metrus Energy. The project will reduce total electricity use for lighting by 65%. The customer will pay for realized energy savings as they are delivered during the five-year agreement. The efficiency-as-a-service model allows the customer to continue to optimize resources and move quickly on a programmatic, multi-site sustainability rollout.

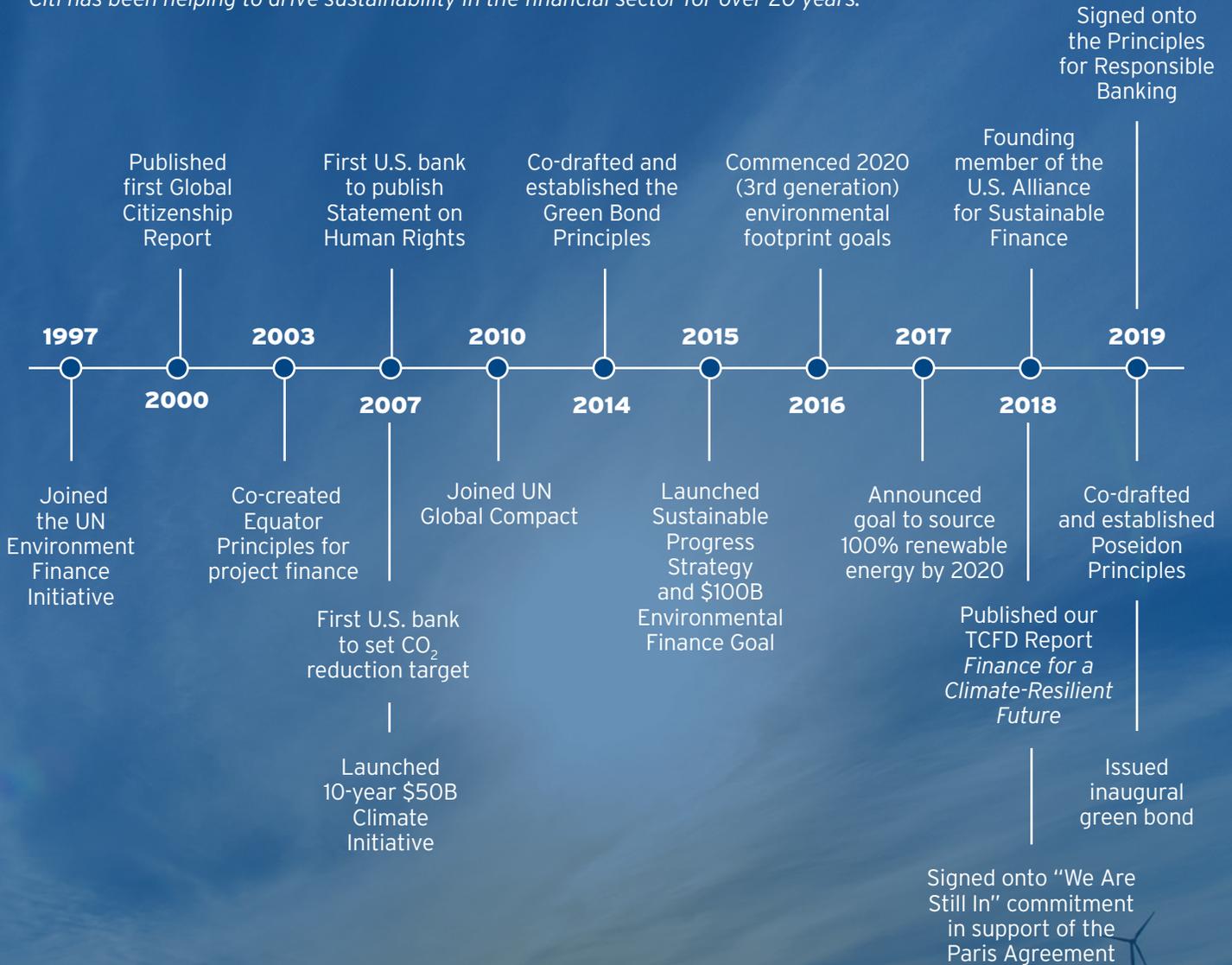
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## **YPF ENERGÍA ELÉCTRICA S.A.**

In December 2016, Citi provided financing to YPF Energía Eléctrica S.A. for the construction of a 100 MW wind project in Argentina. The project contributed to the development of renewable energy in Argentina by contributing to the diversification of its energy matrix. The first phase of the project added 50 MW of renewable capacity to the national grid, thus decreasing fossil fuel generation reliance, and displaced approximately 127,970 equivalent tons of carbon emissions per year.

## CITI SUSTAINABILITY MILESTONES

*Citi has been helping to drive sustainability in the financial sector for over 20 years.*



**"Citi has demonstrated its deep commitment to not only taking environmental consequences into account, but also finding innovative ways to finance projects that lead to sustainable growth."**

*Michael Corbat, CEO*

## CONCLUSION

As the world's most global bank and a pioneer in sustainable finance, Citi is working to help guide the transition to a low-carbon future for our clients, customers and communities.

Citi has engaged external independent accountants to review that the assets included in Citi's Green Bond Asset Portfolio meet the Citi Green Bond Eligibility Criteria and are not invested in assets as defined by the Exclusionary Criteria.

Our goal is to drive positive impact using our banking products and services to finance a more sustainable, low-carbon global economy. Working alongside our clients, we are committed to sustainable finance and contributing to its global growth and progress. Our green bond issuances provide a platform for Citi to help address complex environmental challenges and looking ahead, we will continue to issue green bonds under Citi's Green Bond Framework, with our next reporting period ending on March 31, 2020.

As part of our commitment to transparency, we have worked with Sustainalytics, an independent provider of sustainability ratings, research, and advisory services, to provide a second party opinion on Citi's Green Bond Framework, which can be found on Citi's Fixed Income [website](#). We appointed KPMG as our independent third-party assurance provider of our Green Bond Report and their assurance statement is provided following this report.

If you would like to learn more about Citi's Environmental Finance activity, please visit our [website](#).



## SELECT ASSETS FROM CITI'S GREEN BOND ASSET PORTFOLIO WITH ESTIMATED ENVIRONMENTAL IMPACTS<sup>8</sup>

Below is a list of individual assets and their corresponding estimated environmental impacts. A summary of impacts is provided on page 8.

Renewable Energy			Total Project Impacts		
Asset Description	Region	Outstanding Balance as of 3/31/2019 (\$mm)	Added Capacity (MW)	GHG Emissions Avoided Annually (mt CO <sub>2</sub> e)	
Geothermal	Europe, Middle East and Africa	\$7	90	537,278	
Solar	North America	\$1	16	12,286	
Solar	North America	\$0.4	42	34,495	
Solar	North America	\$1	45	35,820	
Solar	North America	\$11	46	91,556	
Solar	North America	\$2	16	10,510	
Solar	North America	\$5	37	23,454	
Solar	North America	\$14	74	85,804	
Solar	North America	\$6	83	79,762	
Solar	North America	\$16	45	21,151	
Solar	North America	\$22	108	140,804	
Solar	North America	\$15	67	41,426	
Solar	North America	\$22	155	191,252	
Solar	North America	\$2	29	19,360	
Solar	North America	\$50	110	115,651	
Solar	North America	\$96	550	529,268	
Solar	North America	\$4	20	32,306	
Solar	North America	\$68	60	55,204	
Solar glass manufacturing	Asia Pacific	\$5	N/A	N/A	
Wind	Latin America	\$33	100	127,970	
Wind	North America	\$69	76	247,571	
Wind	North America	\$20	477	1,486,539	
Wind	North America	\$50	160	398,543	
Wind	North America	\$46	200	637,498	
Wind	North America	\$42	230	612,079	
Wind	North America	\$15	30	53,406	
Wind	North America	\$39	300	851,758	
Wind	North America	\$37	204	502,106	
Wind	North America	\$34	200	477,754	

<sup>8</sup> Confidentiality considerations restrict the project-level details that can be disclosed publicly for certain assets. Therefore, a representative group of assets is included in this report.

Renewable Energy			Total Project Impacts		
Asset Description	Region	Outstanding Balance as of 3/31/2019 (\$mm)	Added Capacity (MW)	GHG Emissions Avoided Annually (mt CO <sub>2</sub> e)	
Wind	North America	\$34	300	852,125	
Wind	North America	\$23	164	462,361	
Wind	North America	\$25	150	365,870	
Wind	North America	\$28	218	637,860	
Wind	North America	\$39	140	193,225	
Wind	North America	\$112	845	1,537,352	
Wind	North America	\$21	150	189,489	
Wind	North America	\$14	102	128,852	
Wind	North America	\$96	400	1,418,999	

Energy Efficiency			Total Project Impacts		
Asset Description	Region	Outstanding Balance as of 3/31/2019 (\$mm)	Energy Saved Annually (MWh)	GHG Emissions Avoided Annually (mt CO <sub>2</sub> e)	
Energy Efficiency	Europe, Middle East and Africa	\$4	N/A	6,791	
Energy Efficiency	North America	\$1	2,420	1,887	
Energy Efficiency	North America	\$25	137,934	93,917	

Sustainable Transportation				
Asset Description	Region	Outstanding Balance as of 3/31/2019 (\$mm)	Transit System Ridership Monthly	As of (date)
Electrical mass transport system	Asia Pacific	\$5	142,502,000	May 2019
Metro Line	Latin America	\$47	13,136,628	June 2019
Metro Line	Latin America	\$10	13,136,628	June 2019
Metro Line	Latin America	\$85	13,136,628	June 2019

Water Quality and Conservation			
Asset Description	Region	Outstanding Balance as of 3/31/2019 (\$mm)	Number of Water Meters Installed
Smart Water Meters	Latin America	\$47	100,000



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## Independent Accountants' Review Report

Citigroup Inc. Board of Directors and Management:

We have reviewed management's assertion that all of the assets in Citi's Green Bond Asset Portfolio, as defined in Management's Assertion, as of March 31, 2019, were used to finance projects that meet the Eligibility Criteria and do not meet the Exclusionary Criteria, as described in Management's Assertion (the "Reporting Criteria") and that the total Outstanding Balance of the assets in Citi's Green Bond Asset Portfolio is at least equal to the total amount of the Green Bond Offerings as defined in the Management's Assertion (the "Incremental Reporting Criteria"). Citigroup Inc.'s management is responsible for the subject matter in accordance with the Reporting Criteria and the Incremental Reporting Criteria. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to Management's Assertion in order for it to be in accordance with the Reporting Criteria and the Incremental Reporting Criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is in accordance with the Reporting Criteria and Incremental Reporting Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Our review was not conducted for the purpose of evaluating the completeness of the Green Bond Offerings or the completeness of Citi's Green Bond Asset Portfolio. Additionally, we did not review or conclude on the sufficiency, appropriateness or accuracy of the impact reporting criteria, accounting impact methodology or the environmental impact of the assets that meet the Reporting Criteria. Accordingly, we do not express an opinion or any other form of assurance other than on whether the projects financed by the assets in Citi's Green Bond Asset Portfolio meet the Reporting Criteria and whether the total outstanding balance of the assets in Citi's Green Bond Asset Portfolio is at least equal to the total amount of the Green Bond Offerings.

Based on our review, we are not aware of any material modifications that should be made to management's assertion in order for it to be in accordance with the Reporting Criteria and the Incremental Reporting Criteria.

*KPMG LLP*

Boston, Massachusetts  
September 13, 2019

# MANAGEMENT'S ASSERTION

Citigroup Inc. (Citi) asserts that all of the assets in Citi's Green Bond Asset Portfolio as of March 31, 2019 were used to finance projects that meet the Eligibility Criteria and do not meet the Exclusionary Criteria set forth in the Citi Green Bond Framework available on Citi's Fixed Income [website](#) and detailed herein. The Outstanding Balance<sup>9</sup> of Citi's Green Bond Asset Portfolio is at least equal to the total amount of the Green Bond Offerings. Citi maintains one portfolio of green bond assets which consists solely of assets that meet the Eligibility Criteria and do not meet the Exclusionary Criteria (Citi's Green Bond Asset Portfolio). The green bond offerings consist of 19 green bonds issued from January 22, 2019 to March 31, 2019, totaling \$1,279,914,111.69 (Green Bond Offerings). For the purpose of this assertion, green bonds issued in EUR have been translated to USD as of the date of the pricing of the green bond issuances.

Citi is responsible for the completeness, accuracy, and validity of the information and metrics presented in the Citi Green Bond Report.

## CITI GREEN BOND ELIGIBILITY CRITERIA

Eligible Green Asset Categories	Eligibility Criteria
<ul style="list-style-type: none"> <li>Renewable Energy</li> </ul>	<p>Proceeds may be allocated towards the acquisition, development, operation and maintenance of new and ongoing renewable energy activities (such as wind farms, solar panel installations, biofuel projects and geothermal* power plants), including costs related to:</p> <ul style="list-style-type: none"> <li>Land acquisition and leasing</li> <li>Purchase of renewable energy applications and technologies and associated equipment</li> <li>Construction work</li> <li>Maintenance work</li> <li>Equipment manufacturing</li> <li>Energy storage</li> </ul> <p>*Biofuel and geothermal projects will be limited to projects with direct emissions of less than 100gCO<sub>2</sub>/kWh</p>
<ul style="list-style-type: none"> <li>Energy Efficiency</li> </ul>	<p>Proceeds may be allocated towards the financing or refinancing of (i) warehouse facilities for residential energy efficiency loans and (ii) consumer finance companies that provide residential energy efficiency loans for projects or assets that reduce energy consumption or mitigate greenhouse gas (GHG) emissions. Eligible projects or assets may include:</p> <ul style="list-style-type: none"> <li>Municipal district heating projects</li> <li>Commercial and residential energy efficiency projects including:               <ul style="list-style-type: none"> <li>Building envelope (insulation, cool roofing, air sealing, etc.)</li> <li>Centralized energy control systems</li> <li>Lighting, pool equipment, water heating, windows, doors, skylights and HVAC systems</li> <li>Solar panel systems</li> <li>Products and technology to address energy loss reduction in transmission and distribution</li> </ul> </li> </ul>

<sup>9</sup> The Outstanding Balance is calculated as the aggregate total of outstanding loan exposure plus outstanding equity investments (the Outstanding Balance)

<b>■ Sustainable Transportation</b>	<p>Proceeds may be allocated towards:</p> <ul style="list-style-type: none"> <li>• Building or operating mass transit, including electrified public transport, urban metro, rail and non-motorized, multi-modal transportation</li> <li>• Creating or constructing infrastructure to support mass transit, including depot and maintenance facilities, signaling equipment, platform gates, and facilities required for the safe, clean and efficient operation of the network, utilities and other enabling infrastructure that promotes sustainable transportation</li> </ul>
<b>■ Water Quality and Conservation</b>	<p>Proceeds may be allocated towards projects that improve water quality, efficiency and conservation. Eligible projects may include:</p> <ul style="list-style-type: none"> <li>• Installation or upgrade of water treatment infrastructure, including water recycling systems and wastewater treatment systems</li> <li>• Installation or upgrade of water capture and storage infrastructure, including stormwater management systems, water distribution systems, aquifer storage and sewer systems</li> <li>• Installation or upgrade of water irrigation systems, including gravity-fed canal systems, pumped canal or water distribution systems and drip or subsurface irrigation</li> <li>• Water metering activities to support conservation initiatives</li> </ul>
<b>■ Green Building</b>	<p>Proceeds may be allocated towards financing of existing or new construction/renovation of residential and commercial buildings that earn any of the following certifications: (1) Leadership in Energy and Environmental Design (LEED) Gold, (2) LEED Platinum or (3) Living Building Challenge. This includes allocations towards:</p> <ul style="list-style-type: none"> <li>• Capital improvements to install or replace older, less energy efficient systems/technologies, such as heating, ventilation, air conditioning, cooling, lighting and electrical equipment</li> <li>• Capital improvements to reduce water use and capture rainwater and graywater</li> <li>• Installation of advanced Building Management Systems that further reduce energy use, water use and maintenance costs</li> <li>• Any other measures that directly contribute to a building earning LEED Gold, LEED Platinum or the Living Building Challenge certification, including ancillary items such as administration fees and maintenance improvements</li> </ul>

## EXCLUSIONARY CRITERIA

Citi commits itself to not knowingly be involved in financing any of the following projects or activities through the proceeds of its green bonds:

- Large-scale hydropower plants that have a generation capacity of over 15 MW
- Nuclear power plants
- Fossil fuel projects, including:
  - Refined or alternative coal technologies
  - Gas-to-liquid projects
  - Natural gas projects



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