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Chairman's Letter



I am pleased to share with you Citigroup's first global corporate citizenship report. As the world's pre-eminent financial services company, we at Citigroup have an unprecedented opportunity to serve as a role model and inspiration for others in all that we do. We respect this opportunity and take seriously our responsibility to offer our clients top-quality products and services, build value for our shareholders, provide career opportunities and asset building for our employees, help preserve the environment for future generations, and extend our resources to enrich the quality of life in local communities.

Although we are a global company, we view ourselves primarily as corporate citizens within each of the communities that are home to our businesses. Our presence is long-standing, dating back to 1812 in the U.S. and almost 100 years on other continents. In all of our communities, we work in partnerships with our clients, local and international non-profit organizations and governmental agencies so that we can apply our resources to make the greatest impact. Most importantly, in our communities we try to help expand the availability of products and financial education to all so that everyone will have the opportunity to strengthen their self-reliance and improve their quality of life.

A handwritten signature in cursive script that reads "Sanford Weill". The signature is written in dark ink and is positioned above the printed name and title.

Sanford Weill
Chairman and Chief Executive Officer
Citigroup Inc.

Citigroup Global Corporate Citizenship Report 2000

An established leader in the global financial services industry, Citigroup comprises a family of companies that includes Citibank, CitiFinancial, Primerica, Salomon Smith Barney (SSB) and Travelers Insurance. At the heart of these companies are 230,000 employees who are based in virtually every corner of the world serving the financial needs of over 130 million consumers, corporations, institutions and governments in 101 countries worldwide. Together, our employees are committed to a standard of excellence in serving our clients in consumer and commercial banking, consumer finance, credit cards, life insurance, investment banking, asset management, securities brokerage and property casualty insurance.



Pamela P. Flaherty is Senior Vice President of Global Community Relations and is responsible for corporate citizenship, community development and environmental affairs at Citigroup.

CITIGROUP GLOBAL COMMUNITY

We at Citigroup take a leadership role to ensure the well-being of local communities where we do business and where our employees and clients live and work. We take pride in being a global company with a local focus. We believe that extending our resources and expertise to benefit others is the right thing to do and we realize that economically healthy neighborhoods are necessary for business success. Our efforts center around operating our businesses in a socially responsible manner offering customized financial products and services, providing business expertise and financial support, and encouraging employee volunteerism. In all locations, we adhere to the same high standards of ethics, fair lending and fair access to financial services, customer privacy, diversity in hiring, and cultural and environmental sensitivity.

CITIGROUP IN THE UNITED STATES

Specific to the United States, Citigroup continues to make significant progress in meeting the historic ten-year, \$115 billion community commitment it made at the time of its 1998 merger. From 1997 to 2000, we increased our lending and investing in low- and moderate-income (LMI) communities by nearly 125 percent, going from \$8.5 billion to \$19 billion.

CITIGROUP AND THE ENVIRONMENT

We strive to be a responsible participant in the financial services industry's efforts to address environmental issues and were one of the first U.S.-based financial services companies to sign the United Nations Environment Programme's Statement by Financial Institutions on the Environment and Sustainable Development. Internally, we seek to manage potential environmental issues in our operations and help our businesses better understand and find financial value in environmentally sound business transactions.



CITIGROUP BUSINESS INITIATIVES MAKING A DIFFERENCE

Our primary goals at Citigroup are to provide top-quality products and services for our clients, create an outstanding work environment for our employees and build value for our shareholders. In working to achieve these goals, our employees regularly seek out opportunities where business and social responsibility go hand in hand.

DIVERSITY AND WORK/LIFE AT CITIGROUP

Citigroup also has been recognized for its achievements in fostering a workforce and workplace where inclusion is embedded in the culture. Our diverse group of employees contributes to our business success by helping us better understand the needs of clients around the world. We also understand the importance of helping employees with work/life balance issues.

CITIGROUP PHILANTHROPIC GIVING

In 2000, Citigroup and the Citigroup Foundation supported our local community activities with \$52 million in grants, an increase of more than 25 percent over 1999. The foundation also administers a gift-matching program and a Volunteer Incentive Program (VIP) to encourage and reward employee volunteerism.

CITIGROUP EMPLOYEE VOLUNTEERISM

Citigroup encourages volunteerism among its employees, recognizing it as a very important form of support. Our employees log thousands of hours each year to make a lasting positive impact in communities across the globe. They get involved through company-sponsored programs, as well as through individual causes.

CORPORATE CITIZENSHIP AT CITIGROUP

Most of the programs and initiatives described here are run by individual businesses within Citigroup so they are embedded in our operating culture. We have corporate units that bring together some of these efforts across the company. Our Global Community Relations unit includes Environmental Affairs, Community Relations and the Center for Community Development Enterprise. The Corporate Diversity Unit manages our diversity programs. The Citigroup Foundation manages Citigroup's philanthropy on a global basis and issues a more detailed report on its operations. For more information, please visit the Citigroup web site at: www.citigroup.com.

Citigroup Global Community

MICROCREDIT—CITIGROUP PIONEERS PRIVATE SECTOR SUPPORT

Microcredit provides lower income individuals with very small but essential loans as they build economic self-reliance. It has grown dramatically over the last few years, originally in developing markets, but now in developed ones as well. For over 15 years, Citigroup has pioneered and supported microlending programs around the world that have strengthened this important industry's infrastructure, along with building individual institutions.

In 2000, we contributed \$2.8 million to intermediary microcredit providers, such as ACCION, Grameen, FINCA International and Shared Interest, as well as to a number of country-based providers. In many cases, our local Citigroup businesses also have provided customized financial products and services, technical assistance and volunteers.

As an example, we have led private sector support to microlending in India. Over 830,000 low-income women in urban areas have benefited from a program we sponsored that concentrates its funding and assistance to five non-profit organizations that make micro loans. Microlending is also a relatively new concept in Turkey. Over 200 women who are either



WE HAVE PIONEERED AND SUPPORTED MICROLENDING PROGRAMS AROUND THE WORLD

rebuilding a business lost as a result of the 1999 earthquake or who have a viable new business idea can access microcredit and training as a result of our partnership with the Foundation for the Support of Women's Work.

Citigroup has also partnered with FINCA International, an organization that has created hope as an alternative to extreme poverty and hunger for thousands of families in the developing world. Among FINCA's special services are its Village Banking Programs, which provide capital loans to finance self-employment and family savings initiatives. Our recent \$100,000 in grants to FINCA will enable as many as

1,200 low-income women in Ecuador, Haiti and Guatemala to access micro loans for their small businesses and will help FINCA expand its banking client base.

In South Africa, we have made a financial commitment to Shared Interest for its African Century Challenge. Shared Interest is a social investment fund established to enhance the self-sufficiency of South Africa's low-income communities and their financial institutions. The fund increases access to credit by guaranteeing South African bank loans for urban and rural small business and housing initiatives.

EXAME MAGAZINE RECOGNIZES CITIBANK BRAZIL FOR CORPORATE CITIZENSHIP

Citibank was included in *Exame Magazine's* Good Corporate Citizenship Guide published in November 2000. Those cited in the guide are considered to be representative of a new strategic business model that emphasizes the importance of both producing quality products and services and being a responsible corporate citizen.

Citibank was recognized for its Living Library project, which it developed in partnership with the Abrinq Foundation, and for other initiatives in education, health and environmental preservation. Living Library has become a model in Brazil. Created five years ago, the project trains volunteer reading mentors and establishes mini-libraries in the poorest regions. The results are impressive:

BETWEEN 1995 AND 2000

- \$800,000 Invested
- 291 Living Libraries Established in Schools and Hospitals
- 25 Cities Included
- 600 Volunteer Reading Mentors Trained
- 74,000 Children Benefited

CITIBANK TAIWAN NAMED "BEST BANK" FOR SIXTH CONSECUTIVE YEAR

Representative of the numerous citations received by Citibank operations around the world is Citibank Taiwan's rating as "Best Bank" by *Commonwealth Magazine* for six consecutive years. In addition to its business achievements, our operations in Taiwan also ranked among the top four corporations in the country for philanthropic work and corporate citizenship.



EDUCATION—KNOWLEDGE EMPOWERS INDIVIDUALS

Knowledge empowers individuals to achieve their personal and professional goals. Embracing the need and desire for knowledge, Citigroup's businesses take a leadership position in supporting innovative education and career development programs with community partners around the world. In Nigeria, Citibank partners with several local universities to administer an educational program now reaching 16,000 students. The program supports both financial education and technology skills building by using software to teach basic banking and financial planning. It has been recognized locally for helping the country meet its growing need for high-tech professionals.

Another educational program of impact has been created by Citibank United Arab Emirates and the American University of Sharjah, which have teamed up to offer a Certificate in Finance. Launched in October 2000, this is the country's first accredited,



post-graduate certificate program to be created by a corporate/institution partnership.

Education also is being leveraged by Citigroup to help residents of Puli in Central Taiwan rebuild their lives following a devastating earthquake in 1999. In Puli, we are helping to finance the construction of a Community Learning Center. When it opens, the Center will offer a variety of classes covering personal finance and community revitalization topics. Citibank Taiwan employees will be among the volunteers teaching the classes.

After five years of successfully providing welfare-to-work opportunities for single mothers receiving public assistance in New York City, Wildcat Services Corporation and SSB have replicated the initiative at SSB in London. The Wildcat/SSB collaboration has created a welfare-to-work model that enables individuals to transition directly from public assistance to good-paying jobs and economic self-sufficiency. There is a 90 percent job retention rate among participants.

Citigroup in the United States



PUBLIC AND PRIVATE PARTNERS WORKING TOGETHER ARE KEY TO COMMUNITY DEVELOPMENT SUCCESS

HELPING LMI INDIVIDUALS BUILD ECONOMIC FOUNDATIONS

In tandem with our increase in lending and investing in LMI communities between 1997 and 2000, our LMI mortgage, small business and community development lending also grew from \$3.4 billion to \$10 billion. This figure represents an increase in lending activity of 190 percent. Over the same period, 1997 to 2000, our lending to Hispanics increased from \$336 million to \$1.8 billion, and our lending to African-Americans increased from \$268 million to \$1.4 billion.

COMMUNITY DEVELOPMENT — RESTORING A SENSE OF NEIGHBORHOOD PRIDE

Each year billions of dollars of credit and equity investments are needed to finance community development projects. Determined to be a leader in supporting these projects, Citigroup established in 1998 a new business unit, the Center for Community

Development Enterprise (CCDE), that will lend and invest a minimum of \$6 billion through the year 2008.

The year 2000 marked CCDE's first year of operating at full capacity and its success was impressive. During 2000, CCDE lent and invested \$762 million— 90 percent above Citigroup's previous year total.

CCDE provides non-profit and for-profit organizations involved in community development with innovative, comprehensive and cost-effective financing packages to help bring their projects to fruition. Over 50 CCDE lending and investing professionals accomplish this by drawing on resources from across Citigroup to offer a convenient "one-stop financial shopping" approach.

Public and private industry sector partners working together are key to community development success. One such partnership involves Citigroup, LISC, The

NYC Department of Housing Preservation and Development, and 13 local CDCs (non-profit community development corporations).

These partners are collaborating on the Neighborhood Homes Program, a model program for cultivating affordable homeownership options.

Launched with a \$16 million commitment from CCDE's investment group and a \$340,000 grant from the Citigroup Foundation, the Neighborhood Homes Program addresses the dual obstacles of providing quality affordable housing and rehabilitating dilapidated tax-foreclosed properties in New York City. Our \$16 million, which is a below-market-rate loan, is being used by LISC to establish a revolving loan fund. Over the next five years, LISC will make over \$100 million in low-interest loans available from the fund, along with technical assistance, to CDCs participating in the program.

In 2000, CCDE also provided a comprehensive financing package to support the development of Orlando Cepeda Place, the first affordable housing to be built as part of the Mission Bay Redevelopment Project in San Francisco, CA. When completed, Orlando Cepeda Place will include 100 apartments and other amenities for very low-income residents. CCDE's financing package included a letter of credit totaling approximately \$20 million from Citibank, N.A. and a \$15,000 grant from the Citigroup Foundation.

Another community revitalization success story resulted from a partnership that included Citibank South Dakota and CitiHousing, Inc., both subsidiaries of Citigroup, the South Dakota Housing Development Authority, Costello Companies, Stencil Construction, and Security Mortgage Corp. These community partners teamed up for the Green Hills I Development Project, which received a "Best of the Best" Award from the U.S. Department of Housing and Urban Development in 2000. The project was cited for the cooperative partnerships and innovative financing that created 48 single-family affordable homes in Sioux Falls. Green Hills Phase II is now under way.

Representative of CCDE's investing activities in 2000 was its \$2 million investment in MMG Ventures, LP, which is a Baltimore-based,

licensed Specialized Small Business Investment Company venture capital fund. MMG Ventures makes private equity mezzanine investments in growth stage companies that are owned, controlled and managed by minorities or economically disadvantaged persons. Our investment will increase the fund's private capital and ultimately enable MMG to offer the type of equity financing with the flexibility most needed by rapidly growing minority-owned businesses.

HOMEOWNERSHIP AND SMALL BUSINESSES—ACHIEVABLE DREAMS FOR ALL

Owning a home or small business gives individuals a tangible asset and stake in their communities. That is why we make a special effort with the help of our community partners to develop and offer programs that make owning a home and becoming a small business owner achievable dreams for all.

For example, Citibank and Career Resources, a non-profit organization in Bridgeport, CT, have joined forces to help individuals who might not qualify for traditional mortgages. Through a new Home Resources Program created with Citibank, Career Resources graduates learn what they must do to secure mortgage loans and are given guidance through the home purchasing process. Citibank has also set aside \$3 million for

mortgages to be lent to Career Resources graduates who meet specific lending criteria.

Strengthening our ability to further extend mortgage opportunities is a recent partnership that CitiMortgage formed with Fannie Mae. As a result of this partnership, mortgage loans will be more readily available to thousands of LMI and minority families, new immigrants, underserved households and other emerging markets across the U.S. The partnership will provide \$12 billion in affordable mortgage lending over five years and will expand and introduce flexible mortgage initiatives that address the needs of LMI borrowers, minority homebuyers and new immigrants.

Small businesses are critical to revitalizing commercial areas in low-income neighborhoods and to creating jobs. By providing loans, financing, follow-up services and technical assistance to entrepreneurs for their businesses located in LMI communities, we are helping to stabilize low-income neighborhoods. Citibank also fosters small businesses as a U.S. Small Business Administration (SBA) lender and has been recognized numerous times with its Gold Medal and Pacesetter Awards.



Our overseas leadership in microlending is mirrored in the U.S. In Florida, for example, we have been the principal bank-related supporters of Partners for Self-Employment, Inc., which in 2000 was the SBA's leading microlending provider in the U.S. We also support the U.S. programs of ACCION, which since 1995 made \$15.5 million in loans and provided technical assistance to more than 4,000 entrepreneurs in low-income neighborhoods in New York City, Chicago, San Antonio, Albuquerque and San Diego.

FINANCIAL EDUCATION—GETTING FINANCIAL LIVES IN ORDER

Citigroup is committed to offering all consumers opportunities to learn more about managing their personal and business finances and to identify what financial products best suit their needs. One of our largest initiatives to meet this commitment is the Citibank seminar series, which in 2000 presented over 1,500 seminars covering 15 topics. These seminars are held throughout the year at Citibank's 383 retail locations nationwide and at various other sites through Citibank's Bank-at-Work program. Special attention is given to ensure that these seminars are presented in LMI neighborhoods that are home to individuals who are most likely to benefit from this information.

Separate from the Citibank seminar series is an investor education program sponsored by SSB. Over the last four years, SSB has introduced several initiatives that are giving women, minority and young investors a greater insight into investing and the financial markets. Although each of these initiatives is unique in its approach, all three share the common goal of expanding financial savvy.

SSB's Women Investors Initiative is an ongoing program that sponsors educational events in many major U.S. cities featuring well-known guest speakers and financial experts. We also recently introduced an African-American and a Hispanic/Latino Investor Initiative that serves to educate and foster informed communities and to expand minority participation in the financial markets. In addition, SSB continues to maintain its popular Young Investors Network web site that invites youngsters to set financial goals and discusses how they can design a personalized plan to meet them.

Citigroup's Travelers Insurance unit focuses its financial education initiatives on preserving assets through fire and crime prevention seminars. These seminars are offered through a partnership with the Greater Hartford affiliate of the Urban League. We also recently renewed our commitment to the Neighborhood Reinvestment Corporation with a \$250,000

grant. This will continue our support for the National Loss Prevention Partnerships Program, which provides low-income urban residents with educational information on loss prevention, home-safety inspections and a loan program to cover the cost of addressing potentially dangerous conditions in the home.

IDA SAVINGS PROGRAM—HELPING THOSE IN NEED BUILD ASSETS

Once individuals obtain financial knowledge, they learn the importance of saving money. We at Citigroup have taken a leadership role in helping these individuals work toward achieving financial independence by supporting Individual Development Accounts (IDA) projects. IDAs provide incentives for low-income people to save by matching personal savings so it grows faster.

We were a lead sponsor of the country's first two national conferences on IDAs and have committed more than \$2 million to IDA projects over the last two years. We have also developed specialized low-cost products to help manage IDA funds in Washington, DC, California, New York City and Connecticut, and continue to educate other financial institutions and non-profit partners about IDAs. In addition, we recently established an IDA program for our longtime community partner, the New York Association for New Americans (NYANA).

Citigroup and the Environment

WORKING TOWARD AN ECOLOGICALLY SUSTAINABLE FUTURE

Citigroup's early recognition of the importance of the environment and our long-standing commitment to safeguarding the world's natural resources are demonstrated by our corporate Environmental Affairs unit, which serves as an information and advisory service for the corporation's businesses. The department was established in 1990 at Salomon Inc as a resource for our internal operations and core businesses on environmental trends and new legislation. Over the past decade, the department has continued to serve a broader number of company businesses and this year was made available as a resource companywide.

Recognizing that conducting business in an environmentally responsible manner is an evolving process, our Global Corporate and Investment Bank formed an Environmental and Social Policy Review Committee in 2000. Composed of senior executives, the committee's mission is to review emerging environmental and human rights issues for our corporate and investment banks. The committee also assesses our business activities to assure that they are consistent with our environmental policies.

CITIGROUP'S BUSINESS- ENVIRONMENT INTEGRATION PROGRAM—CORE BUSINESS INCLUSION

The Business-Environment Integration Program was established in August 1995 at Salomon Inc with the mission to provide information to business staff on environmental matters relevant to transactions, corporate research and asset management. Since its inception, the program has been made available to all of our businesses and is now offered as a resource to employees and clients wherever Citigroup operates. Through this program, employees in Citigroup's Environmental Affairs unit advise on the potential economic, financial and market implications of environmental policy issues on strategic client sectors.

ENVIRONMENTAL STEWARDSHIP— A GLOBAL EFFORT

Global environmental issues are becoming more complex and are attracting increased attention within the business community. We at Citigroup view environmental stewardship as valuable to our company's overall performance and are active participants in environmental leadership activities within the financial industry, as well as the global business and public interest communities. Engaging in the

following activities enables us to forge partnerships with industry, government and interested stakeholders, which allows us to advance our understanding of the environment while capitalizing on untapped sustainable development market potential.

United Nations Environment Programme (UNEP) Financial Institutions Initiative on the Environment—Along with being one of the first U.S.-based financial services companies to sign the United Nations Environment Programme's Statement by Financial Institutions on the Environment and Sustainable Development, we also have chaired the Initiative for the past three years and will continue to serve on the UNEP steering committee. We use the principles within the Statement as a framework for identifying and managing risks, particularly in our lending and underwriting businesses. Signatories to the Statement recognize that "sustainable development is the collective responsibility of government, business and individuals," and "are committed to working cooperatively with these sectors within the framework of market mechanisms toward common environmental goals."

**World Environment Center
International Corporate Social
Responsibility (ICSR) Task**

Team—Citigroup is an active member of the World Environment Center, an independent, non-profit, nongovernmental organization that advances sustainable development and social responsibility, encourages environmental leadership, and helps improve environmental, health and safety practices worldwide. We participate in and advise on the ICSR task force, a committee comprising 20 multinational corporations whose mission is to promote programs in the arena of sustainable development.

World Resources Institute—Our executives around the world participate in and support a variety of World Resources Institute (WRI) programs, which we have supported with a \$50,000 grant. SSB bankers in Latin America contribute to the New Ventures Project, a program that aims to shape and strengthen Latin America's entrepreneurial economy by fostering development of sustainable small and medium

enterprises. Among other initiatives, our executives also support the WRI BELL (Business Environment Learning and Leadership) and China BELL programs by serving on the project advisory committee, attending BELL conferences and hosting BELL events.

Among our other environmental stewardship activities are membership or leadership positions in: Business for Social Responsibility; the Environmental Bankers Association; Buy Recycled Alliance of New York; Wildlife Habitat Council; Conservation International; and the Corporate and Professional Advisory Committee for the New York High School of Environmental Studies.

**INTERNAL PRACTICES—
ENVIRONMENTAL
STEWARDSHIP WITHIN
OUR OWN OPERATIONS**

Citigroup has developed and implemented environmental management plans in our offices to ensure compliance with local, regional and

federal environmental standards. All company-owned and/or -operated facilities are governed under U.S. and international policies. Health and safety training programs are also conducted with line managers, facilities staff and contractors to ensure that safe work practices are employed.

Our member companies and facilities participate in various types of recycling, reuse and reduction programs relating to paper, toner cartridges and information technology. To promote paper-use efficiency, our employees receive administrative announcements via the company's global intranet system and are encouraged to communicate with each other via this system.



**INTERNATIONAL ORGANIZATION
FOR STANDARDIZATION (ISO)
CERTIFICATION**

The International Organization for Standardization (ISO) is a worldwide federation of national standards groups from 130 countries, one from each country. ISO standards assist companies in the development, implementation and maintenance of effective quality and environmental management systems. Certification of the standards provides consumers of goods and services internationally with a recognized, comprehensive and verifiable quality standard.

At Citibank, N.A.'s Asia Pacific operations, the Citibank Quality and Environmental Management System was initiated. Integral to this system is the Citibank "ISO Quality Challenge," an internal goal to embark on our own ISO journey

and take the lead in the financial services industry. In Asia, a total of 37 various certifications were achieved over the last 28 months, with the attainment of ISO 14001 at the Asia Pacific Processing Center (APPC).

ISO 14001 ACHIEVEMENTS

Citibank, N.A. APPC has made great strides in a little over a year as an ISO-certified organization. As part of our Environmental Management System supporting the ISO 14001 certification, the following are examples of some of the results that have been achieved thus far:

1. Eliminated approximately 30,000 paper cups per month used in the vending machines.
2. Reduced paper use from 1,000 sheets to 500 sheets per employee per month.

Since ISO 14001 certification requires organizations to continuously improve their Environmental Management Program, we will be initiating various new activities in the coming year. An important activity that will happen in 2001 is to organize community-related activities and combine them with the Environmental Management Program, such as collecting old PCs, appliances, clothes, etc., to be recycled and donated to charity.

**NIKKO SSB TOKYO
RECYCLING NUMBERS**

While the number of employees working at our Nikko SSB Tokyo office increased approximately 20 percent from third quarter 1999 to third quarter 2000, our overall recycling efforts went up and purchasing numbers went down.

	3rd Quarter 1999	3rd Quarter 2000		
	<i>Amount in lbs.</i>	<i>Amount in lbs.</i>	<i>Difference in lbs.</i>	<i>Percent Change</i>
Paper Purchased	91,227	90,096	(1,131)	(1%)
Materials Recycled				
<i>Mixed Paper</i>	121,060	148,843	27,783	23%
<i>Glass</i>	992	1,466	474	48%
<i>Aluminum/Metal</i>	3,739	4,270	531	14%
Total Materials Recycled	125,791	154,579	28,788	23%

THE GLOBAL CORPORATE BANK AND SALOMON SMITH BARNEY INVESTMENT BUSINESSES' ENVIRONMENTAL POLICY STATEMENT

The Global Corporate and Investment Banking businesses at Citigroup are highly diverse and therefore deal with a variety of environmental issues. We understand that conducting business in an environmentally responsible manner is an ongoing process, and we are committed to taking a leadership role in the financial industry through our efforts in community, environmental and social initiatives. We are committed to the protection of the environment and the health and safety of our employees and the communities in the over 100 countries in which we conduct business. We recognize that environmental impact and sustainable development are among the most important issues affecting business today.

IN FURTHERANCE OF THIS COMMITMENT, IT IS THE POLICY OF GCIB TO ENDEAVOR TO DO THE FOLLOWING:

- **Compliance**—Comply with all environmental, health and safety laws and regulations, and, where appropriate, develop company standards and procedures to protect human health and the environment.
- **Good Neighbor**—Operate all facilities and businesses in a responsible manner that protects the health and safety of employees and the surrounding community, and provide responses, as appropriate, to employee and community concerns about health and the environment.
- **Response and Coordination**—Respond diligently to environmental emergencies for which we are responsible and coordinate efforts with national, state and regional agencies.
- **Integration**—Integrate sustainability considerations into the day-to-day operation of our businesses worldwide. Provide information on a regular basis to employees regarding strategic environmental and social developments.
- **Organizational Commitment**—Instill a commitment to environmental protection and sustainability throughout the company to ensure employees at all levels understand that responsible environmental management is also good business.
- **Assessments**—Perform an appropriate assessment of environmental issues in connection with the acquisition or direct financing of real property.
- **Recycling, Conservation and Waste Reduction**—Seek to incorporate responsible environmental considerations into our internal operations that promote sustainability and minimize consumption of natural resources.
- **Environmental and Social Policy Review Committee**—Review our environmental policies and other initiatives on an ongoing basis to ensure they are consistent with our objectives and business activities.
- **Education**—Provide ongoing guidance and advice to business divisions about the potential economic, financial and market implications of environmental and social policy issues in strategic client sectors and communities. Enhance understanding of environmental best practices and of company programs throughout the organization.
- **Responsible Financing**—Identify, quantify and control environmental and social risks as part of the risk assessment process in underwriting and financing. Take into consideration that each potential transaction should be considered on individual value and in consultation with financing partners. Recognize and support opportunities for economic growth through constructive investment.

Citigroup Business Initiatives Making a Difference

PUBLIC FINANCE

Salomon Smith Barney specializes in funding a wide variety of environmentally beneficial projects in the areas of water and wastewater treatment, solid waste disposal and environmental remediation. Our involvement and expertise ensure that cash-strapped environmental cleanup agencies and innovative environmentally oriented startups can access financing on reasonable terms, often with low-cost, tax-exempt financing. This makes good business sense and good sense environmentally.

• **Water and Wastewater Treatment**—For the last decade, for example, we have been the leading underwriter of water and wastewater bonds, managing over \$20 billion of securities for water and sewer authorities alone. This year, we developed financing for a unique 25 million gallon per day desalination facility designed to help reverse saltwater intrusion into groundwater aquifers in drought-plagued Florida. We are also financing similar activities to remediate dairy-contaminated groundwater in California.

• **Solid Waste Disposal**—We were one of the first Wall Street underwriters to provide specialized solid waste disposal underwriting skills, using a team of bankers with backgrounds in engineering, environmental regulation, law and

project finance. We remain the leading provider of low-cost, tax-exempt financing for solid waste disposal projects. We have underwritten over \$9 billion in municipal solid waste revenue bonds, amassing a market share of over 25 percent. In 2000, for example, we financed recycling facility expansion at a New York solid waste management agency.

• **Environmental Remediation**—Environmental remediation means reversing pollution that has impaired the environment. Our remediation examples include financing extensive municipal wastewater recycling facilities in California, which reduce ocean pollution and also conserve billions of gallons of increasingly scarce water supplies in the West. This year, we continued our ongoing efforts to develop dredge disposal/reuse financing for Delaware River sediment.

• **Acquisition of Environmentally Sensitive Lands**—We have worked with many municipalities and agencies across the U.S. to help acquire and protect environmentally sensitive lands. Some examples of our recent work in this area include: financing land acquisitions in Arizona intended to keep part of the state undeveloped and environmentally healthy; and a landmark land acquisition program in Florida that provides financing for the acquisition and



restoration of environmentally sensitive lands, water resources and agricultural lands.

• **Electric Utility Pollution Control**—Acid rain has been associated with fossil fuel combustion units nationwide. One of the largest combustors of fossil fuels is the electric power industry. SSB has financed, using low-cost, tax-exempt debt, a number of new, state-of-the-art pollution control facilities at large electric generating plants. These facilities remove a substantial amount of acidic gases, metals and particulate matter from combustion gases.

ENERGY FINANCE

CitiCapital has been a leading source of equipment and asset financing for more than 30 years. CitiCapital Energy Finance Group specializes in financing energy efficiency projects for municipal, federal, commercial and industrial customers. Year to date the group has financed over \$1 billion of energy efficiency projects and helped customers achieve significant operational and energy savings. CitiCapital often finds innovative financing solutions to budgetary constraints that

customers face. As an example, in 2000, CitiCapital helped a school district in Michigan finance \$3.2 million in energy conservation improvements through a 15-year, limited-tax, general-obligation installment purchase contract.

ASSET MANAGEMENT

Smith Barney Asset Management, a division of Salomon Smith Barney, has designed the Social Awareness Investment (SAI) program for clients who want to combine their financial and social goals. The SAI program offers separately managed portfolios, an annuity and a mutual fund. SAI has a long-standing commitment to social investment with more than ten years' experience in managing socially screened equity and balanced portfolios. The SAI program seeks to provide long-term growth of capital and superior risk-adjusted returns in a manner that is consistent with each investor's unique social guidelines. As of December 31, 2000, the program had \$2.2 billion in assets under management.

AFFINITY CREDIT CARDS

Citibank has a number of partnership programs with non-profit groups worldwide. Each program enables us to issue an "affinity card" or credit card bearing the name and logo of the partner. In return for this, we may pay a royalty to the group based on the number of accounts acquired and the amount of purchases made with the card. In a number of instances, we have received special recognition by our partners for the level of financial support our

partnership has provided. Examples of these affinity cards issued by our Citibank USA unit include:

- **American Cancer Society Card**— This affinity credit card provided over \$3 million to the society for its battle against cancer. We were recognized as a leading corporate supporter of the society at a special ceremony at its Board of Directors meeting on November 13, 2000 in Chicago.
- **America the Beautiful Fund and Environmental Defense Cards**— These groups are devoted to the preservation of the natural beauty of the American landscape and the global environment.
- **Citibank USA affinity credit card programs** also include partnerships with the American

Heart Association, American Lung Association, Easter Seals, Mothers Against Drunk Driving, The Humane Society of the United States, Society for the Advancement of Women's Health Research, and Canine Health Foundation.

- We also have affinity card partnerships outside of the U.S. Citibank Taiwan's Children-Are-Us Card is one of these. Children-Are-Us started as a regional foundation with a mission to help mentally challenged children. With the assistance of approximately \$50,000 per month from the Citibank affinity card, Children-Are-Us is scheduled to become a national organization in the first quarter of 2001.

THE CONSULTING GROUP

The Salomon Smith Barney Consulting Group, the division of Salomon Smith Barney that provides investment management consulting to institutions and individuals, co-sponsored the 2000 First National Meeting of the Association of Small Foundations. This conference focused on ways that small foundation leaders can leverage their resources to realize their philanthropic goals more effectively.

The Consulting Group provided education on how foundations can align their chosen social mission with their investment objectives through socially responsible investing. The Consulting Group plans to continue providing these educational services to the association through regional workshops and national conferences.

INSURANCE IN URBAN MARKETS

Travelers Insurance is actively involved in programs to recruit, train and support independent agents in urban areas. Through these programs, newer and smaller urban agencies have an opportunity to work with more established agencies and place business with Travelers. These programs help make insurance products more available to urban residents. They have also led to direct agency appointments in several cities for a number of agencies. In 2000, Travelers appointed 60 new agents in 25 cities across America supporting urban homeowners.

LABORATORY ANALYSIS AND SPECIALIZED CLIENT SERVICES

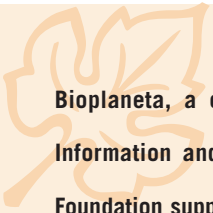
The Travelers Lab is the longest continually operating American Industrial Hygiene Association (AIHA) accredited lab in the world.

Utilizing state-of-the-art laboratory instrumentation and industrial hygiene equipment, Travelers offers a range of services designed to monitor and assess potential workplace health exposures to clients while reducing loss exposures and loss experiences.

Our staff of highly skilled and dedicated chemists and laboratory technicians participate in the AIHA Proficiency Analytical Testing

Program and the Environmental Protection Agency Program for metals in drinking water. We develop employee training and other programs for our clients on issues such as indoor air quality, radiation, hearing conservation and respiratory protection. We assist our clients in building a safety culture by keeping up with new developments and implementing the right programs.

BIOPLANETA



Bioplaneta, a concept spawned by the North American Environmental Information and Communication Center in Mexico, which the Citigroup Foundation supported this year with a \$100,000 grant, created the opening for Citigroup to be one of the first financial institutions to provide e-business service opportunities for sustainable products in Mexico.

Visitors to bioplaneta.com find an interesting collection of agricultural goods and handcrafted articles from various Mexican farming and artisan communities. Bioplaneta is a tool created for the fair marketing of these groups' products and services and, as such, each of the groups represented in the Bioplaneta e-catalog is guided by a sustainable growth strategy and all are the majority owners and beneficiaries.

By adapting our cash management products to fit its needs, Citibank Mexico is providing more efficient cash management solutions for Bioplaneta. These cash management products include credit card collection services, electronic banking via the Internet and a payment system that will add value to Bioplaneta's operations, thus helping it achieve its sustainability goals.

The Citigroup Center for Community Development Enterprise is a business unit that focuses directly on helping us revitalize communities. For examples of some of CCDE's initiatives, see page 7 in the United States section.

Diversity and Work/Life at Citigroup



DIVERSITY EQUALS A COMPETITIVE BUSINESS EDGE

The importance of diversity is being underscored around the world. While our diversity programs to date have been focused primarily in North America, we are rapidly expanding our initiatives. A diverse workforce is critical to achieving our business goals. A unique example of this exists at Citicorp Credit Services in Kansas City, MO. At this site is one of our foreign language units with 41 employees who come from 34 different regions of the globe and who speak any one (or more) of nine languages. Among their responsibilities is handling calls from foreign-language-speaking clients.

We are also involved in marketplace initiatives that help ensure equal access to economic opportunities. For example, since 1997, Citigroup has supported the Rainbow/Push Coalition's Wall Street Project, which creates a forum for government officials and corporate leaders to meet with professionals, entrepreneurs and others to build alliances.

RESPECT FOR WORK/LIFE BALANCE

We do not take a one-size fits-all approach to helping our employees with work/life issues. Different businesses and different locations have different needs. Our ultimate goal is to design and provide programs that will help employees excel both in their professional and personal lives.

For example, choosing the right child care is one of the most important choices parents will make. That is why we provide several innovative resources to help parents find the right child care. We also provide on-site child care for more employees than any other

corporation in the U.S., a distinction underscored when *Working Mother* magazine recognized Citigroup as one of the "100 Best Companies for Working Mothers." In Europe, Citigroup was the lead sponsor of the First Global Forum on Child Care. We also were a sponsor of the World Forum on Early Child Care and Education Conference in Singapore where child care providers from over 100 countries gathered to share best practices.

Our employees in the U.S., Canada and Puerto Rico can receive professional advice on a wide range of life issues through the LifeWorks® program, which provides information, consultations and referrals.

DIVERSE SUPPLIERS PLAY DYNAMIC COMMUNITY ROLE

A diverse supplier base is playing an increasingly dynamic role in our communities. Citigroup's Supplier Diversity Program, which was launched in 1977, is actively involved in identifying and using businesses owned by minorities,

women, service-disabled veterans and the physically challenged, as well as increasing opportunities for these businesses through educational seminars and mentoring. These businesses provide us with an array of services such as Century Technologies, Inc., a minority-owned firm providing technology for our Electronic Benefit Services, and Advantage, Inc. and Select Enterprises, women-owned temporary and employment services businesses.

We also challenge our major suppliers to share in the value of enhanced competition by implementing a supplier diversity development program, which ultimately contributes to our program's success.

Citigroup Philanthropic Giving

Philanthropy is a key part of our relationship with many of the non-profits mentioned in this report and the Citigroup Foundation has provided grants to many of them. The Foundation is a global endeavor with the objective of participating in all of the more than 100 countries where Citigroup does business. Our grants are focused primarily on community development and education, along with arts and culture, health and human services, and the environment. The Foundation also publishes an annual report each year that provides a comprehensive record of its philanthropic giving. Included below are some additional examples of the programs funded by the Foundation.

• **National Academy Foundation (NAF)**—A highly regarded career education program in the U.S. is the National Academy Foundation, founded and chaired by Citigroup Chairman and CEO Sandy Weill. Started in 1982, 394 academies—small learning communities within public high schools—in 145 school systems throughout the nation now prepare young people for careers in finance, information technology, and travel, tourism and hospitality. In 2000, the Foundation made \$1.865 million in grants to NAF and its local programs. Included in this figure is part of a \$1 million grant payable over four years for the new Citigroup Academy of

Finance Scholars Program. Through this annual program, 20 Academy of Finance graduating seniors will receive \$20,000 scholarships awarded over four years along with internships and mentors.

• **Conservation International**—Our partnership with Conservation International, which includes philanthropic support of \$150,000 over three years, is providing technical assistance to conservation-oriented entrepreneurs in Brazil's Atlantic Rain Forest who might otherwise be thwarted by a lack of information on products and markets and a lack of access to capital, technology and managerial tools. Our support of the Una EcoPark project is helping create a model enterprise showing ecotourism's potential as an economic activity that is compatible with conservation. It provides a unique opportunity for local families and school children to learn about Brazil's natural and cultural resources.

• **Tuloy Foundation**—There are over 200,000 street children in the Philippines today, and the Tuloy Foundation, Inc. helps create a better quality of life for them and their community. The Foundation recently made a \$40,000 grant to support the Alternative Education Program for street children and out-of-school youth which will compress a ten-year basic education into five years. In addition, Citibank in the Philippines recently



donated funds to help build a library. Starting with the 2001 to 2002 school year, the new library will give the children at the Tuloy sa Don Bosco Street Children Village and those of their partner orphanages opportunities to reach their maximum learning potentials.

• **Citibank FamilyTech**—The Citibank FamilyTech program in the U.S. state of Florida recently received the U.S. Council for Aid to Education's 2000 Leaders for Change Award in the category of innovation. Supported over several years with \$600,000 in Foundation grants, this program has opened the world of home technology to more than 2,300 low-income students and families in ten Miami-Dade County Public Schools. Donated computers are loaned for at-home use to low-income families. Parents are taught to use the computers to help their children with homework, while teachers are trained on how to incorporate technology into classroom lessons. Participating schools also receive funds for new technology and software, along with technical assistance from our employees.

Citigroup Employee Volunteerism



WE ARE HELPING BUILD HOMES FOR DESERVING FAMILIES

- **Citigroup Builds Communities**—In 2000, as part of our ongoing support of Habitat for Humanity International (HFHI) around the world, the Citigroup Foundation made a \$1 million grant to the organization to launch a U.S. employee volunteer program. This program, “Citigroup Builds Communities,” was the first company-sponsored volunteer effort that brought our employees together from across business units. During the year, over 3,000 employees from 16 states logged 27,000 volunteer hours to help build Habitat for Humanity (HFH) homes for deserving families. Our employees in the Philippines, South Korea, Peru, Bolivia, Venezuela, South Africa, Uganda, Kenya and Colombia are also involved in local Habitat builds.

- **A Heart to Share**—Citibank, SSB and the Citibank Private Bank in Hong Kong have set a standard for corporate community service with their first joint employee volunteer program, “A Heart to Share.” The program recognizes employees who complete eight hours or more of volunteer service within a year. Hong Kong’s Social Welfare Department was inspired by our program and is launching a countrywide corporate citizenship awareness program.

- **Learning Links**—Our employees in Sydney, Australia are serving as volunteer e-mail buddies for children in the local Learning Links program. One of Citigroup’s major benefactors, Learning Links provides specialist tuition funds and therapy, as well as counseling for children who have learning difficulties. The e-mail buddies initiative helps these children strengthen their language, comprehension and computer skills.

- **Banco na Escola**—In Brazil, we are part of a bank consortium that is sponsoring Banco na Escola, an education program that will benefit government schools. Launched in May 2000, Banco na Escola will provide courses to help government schools learn to build capacity and more efficiently manage their budgets and resources. The program's curriculum is being developed by employee volunteers, along with technology and education experts. Employees will pilot the courses in 50 schools in São Paulo in 2001. It will then be expanded to all government schools in Brazil through 2002.

- **The Reading and IT Programmes**—Employees at Citibank in London, England have been volunteering to help approximately 80 students aged 5 to 11 strengthen their reading and information technology (IT) skills at Lewisham Bridge School, a multicultural inner-city urban school. The Reading Programme consists of employees tutoring students, many of whom consider English their second language; and the IT Programme consists of special



classes presented weekly that summarize recently taught IT lessons. Since Citibankers started the IT Programme a year ago, students' IT skills have improved and Lewisham Bridge School now ranks above the national average for some grade levels in IT skills.

- **3,000 Hours of Giving**—Employee volunteerism at Citibank Taiwan is part of a countrywide campaign called "3,000 Hours of Giving." The campaign encourages all 3,000 local employees to volunteer. One way our employees get involved is through the

University Lecture Series, which benefits National Taiwan University students. Now in its fourth year, this program offers an elective course in the banking and financial practices and issues curriculum that is taught by Citibank senior managers. The University Lecture Series has also been replicated in Japan and China.



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For more information on the programs described in Citigroup's Global
Corporate Citizenship Report, please e-mail: helen.steblecki@citicorp.com.
For more information on Citigroup's Environmental Affairs initiatives,
please e-mail: iris.gold@citicorp.com or ilene.fizsel-bieler@citicorp.com.

