

Citi Australia

2022

MODERN SLAVERY
STATEMENT



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1. Purpose of statement

This statement is made by Citibank N.A. (Sydney Branch), Citigroup Pty Limited, Citigroup Global Markets Australia Pty Limited and Citigroup Global Markets Australia Holdings Pty Limited. For the purposes of this statement, the aforementioned entities shall collectively be referred to as “**Citi Australia.**” The Citi Australia entities are wholly-owned subsidiaries of Citigroup Inc (“**Citi**”). This statement is made pursuant to section 14 of the Modern Slavery Act 2018 (Cth) (“**Act**”) and covers the financial year from January 1, 2022 to December 31, 2022 (“**FY2022**”).

This statement summarises Citi Australia’s current approach to assessing and addressing modern slavery risks in our operations and supply chain, the actions that we undertook in FY2022, and the actions we plan to take in the future to assess and identified modern slavery risks.

As a financial services organization with a professional workforce, Citi Australia considers the risk of modern slavery within its direct business operations to be low. However, Citi Australia recognizes 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 organization and supply chain and to do our utmost to contribute to its eradication wherever we have effective leverage to work towards that goal.

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2. 2022 Key actions delivered

In the past year, Citi Australia has further developed our understanding and management of key risks associated with modern slavery. Key actions by Citi Australia to address modern slavery risk include:

1. Building on training developed by Citi's Global Supply Chain Development, Inclusion and Sustainability program, Citi developed a comprehensive modern slavery awareness training module that provides a broad introduction to the topic of modern slavery as well as a particular focus on our supply chain risks. That training module is available to Citi's global workforce. During 2022, over 200 Citi Australia employees completed this training. The training module is not mandatory but encouraged for all key staff that engage with clients and third-party suppliers.
2. Modern slavery risks continue to be proactively considered within Citi Australia's risk and compliance governance committees, including the Operational Risk Management Council ("**ORMC**"). The ORMC is a risk management council in Australia that reviews business unit / function level operational risks and controls. This includes alignment within the risk and control functions on the materiality of risk. The ORMC escalates any material risks including potential modern slavery risk to the Business Risk and Control Committee.
3. Modern slavery due diligence was conducted for the three investments that Citi Australia held in 2022 (Yieldbroker Pty Ltd, Australian Payment Plus Ltd and GROW Technologies Services Ltd) with no modern slavery risk identified.
4. During the FY2022 reporting, Citi Australia joined the Australian Banking Association ("**ABA**") Modern Slavery and Human Rights Working Group.

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

a. Corporate structure and business operations

Citi is a preeminent banking partner for institutions with cross-border needs, a global leader in wealth management and a valued personal bank in its home market of the United States. Citi does business in nearly 160 countries and jurisdictions with a workforce of approximately 230,000, providing corporations, governments, investors, institutions and individuals with a broad range of financial products and services.

On 1 June 2022, Citigroup Pty Limited and its offshore parent company successfully completed the sale of their consumer business in Australia to National Australia Bank Limited (“NAB”). From 1 June 2022, Citigroup Pty Limited ceased providing bank accounts, secured and unsecured loans, home loans, credit cards and wealth management-related services to retail clients. As a result of the sale of the consumer business, Citigroup Pty Limited requested that the Australian Prudential Regulation Authority (“APRA”) revoke its authorised deposit-taking institution licence under the Banking Act 1959 (Cth) which APRA revoked on 30 June 2022. The Australian Securities and Investments Commission continues to regulate Citigroup Pty Limited with it holding an Australian Financial Services Licence and an Australian Credit Licence in connection with it providing transitional services to NAB and financial services in respect of Citi Australia's retained corporate business. Post divestment of this business, Citi Australia's Institutional Clients Group (“ICG”) continues to provide a comprehensive range of advisory and financial services to corporates, banks, governments and institutional investors.

For more information about our business, please see our website ([Citi at a glance](#)).

The Citi Australia entities' legal and incorporation information are as follows:

Reporting entity	Date of Incorporation	Legal form	ABN	Registered office
Citibank N.A. (Sydney Branch)	Incorporated on 17 July 1865. Registered as a foreign company in Australia on 12 February 1996.	Registered foreign company	ABN 34 072 814 058	Sydney, NSW
Citigroup Pty Limited	31 August 1954	Australian proprietary company	ABN 88 004 325 080	Sydney, NSW
Citigroup Global Markets Australia Pty Limited	4 June 1986	Australian proprietary company	ABN 64 003 114 832	Sydney, NSW
Citigroup Global Markets Australia Holdings Pty Limited	2 February 1998	Australian proprietary company	ABN 56 081 472 684	Sydney, NSW

All of the Citi Australia entities are 100% owned (through intervening holding companies) by Citigroup, Inc., which is listed on the New York Stock Exchange and is the ultimate holding company.

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b. Citi's supply chain

As a global firm, Citi has a large and diverse supply chain. During FY2022, Citi Australia transacted with approximately 233 active suppliers across business operations and services, employee benefits, information services, network and communications services, professional services, insurance, advertising, marketing and HR services.

Further details about Citi Australia's supplier relationships are set out below in Section 4.f, as well as on our [Resource Management Organization](#) ("RMO") website, which covers Citi's global supply chain function. Citi maintains a strategy of offshoring to other Citi affiliates wherever possible. Citi affiliates are subject to Citi's risk management framework and policies and must comply with Citi's HR, human rights, ESG and Supplier Requirements policies in their own operations and within their own supply chains.

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4. Risk assessment, due diligence and preventive action processes

This section describes the risks of modern slavery practices in Citi Australia's 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 United Nations' Guiding Principles on Business and Human Rights ("**UN Guiding Principles**"), we have focused on areas in which Citi Australia could be causing, contributing to or directly linked to practices constituting modern slavery.

Our updated supply chain assessment review in Q4, 2022 concluded that the overall risk of modern slavery occurring in Citi Australia's own hiring practices and engagement of workers remained low for FY2022, as Citi Australia continues to predominantly use a high-skilled, professional workforce that is mostly recruited directly by Citi Australia (see section [4a] below for more details) who are employed in accordance with applicable local legislation and Citi policy.

During the reporting period, we continued to identify Citi Australia's primary risks of modern slavery as present in (1) Citi Australia's supply chain, particularly the procurement of products and services involving low-skilled labour or sourced from countries with weak governance or labour standards (including cleaning services and facilities management in premises leased or occupied by Citi Australia and its affiliates and the purchase of office supplies, and office and kitchen consumables); (2) the sourcing of high risk products such as computers and other related technology; and (3) our clients' activities, depending on the sector and country of operation.

As described in further detail in section 4.e, we have existing processes in place to address risks in these areas, which we continued improving upon in 2022 and expect to continue enhancing in the future.

The table below summarises Citi Australia's assessment of risk in our business activities for 2021 and 2022, including Citi Australia's 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	2021 Risk Assessment	2022 Risk Assessment
<i>Operations</i>		
A. Engagement of workers	Low	Low
B. Managed or operated joint ventures	Low	Low
C. Charitable activities	Low	Low
<i>Other business activities</i>		
D. Equity and other investments	Low	Low
E. Supply Chain	Low-High	Low-High
F. Clients' and customers' activities	Low-High	Low-High

A detailed description of these risks, as well as the due diligence and preventative action Citi has undertaken to address them, is set out below.

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a. Operations and supply chain: Engagement of workers

As of the end of FY2022, Citi Australia had 863 employees based in Australia. The vast majority of our employees are recruited directly. In addition, Citi Australia may engage external supplier personnel, including contractors and consultants on a non-permanent basis (“**non- employees**”) for a variety of different business purposes, including project-based work for a defined period of time, securing specialized 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 premises or operate from supplier sites. As of the end of FY2022, Citi Australia utilised 3,224 non-employees, primarily engaged in operations support, with some in facilities management and general service providers, working both on-site and offshore in support of the Citi Australia business.

The breakdown of Citi Australia’s 3,224 non-employees in FY2022 is as follows: commercial partners (3,064), operations (17), specialist (16), facilities (41), technology (27), general services (29), security (19), and audit (11).

Description and assessment of risk: The risks of modern slavery in relation to employees includes high risk work practices, for example, not paying employees fairly, not treating employees fairly and consistently, and not respecting employees’ workplace or human rights. The risk of modern slavery occurring across our employee population as a result of Citi Australia’s hiring practices and employment practices is low, mainly because Citi Australia adheres to a strong set of global policies and procedures to ensure fair and equitable treatment and remuneration of employees, in accordance with local laws. During FY2022, the identification and management of risks of modern slavery for supplier personnel continued to be covered by Citi’s Requirements for Suppliers and Corporate Responsibility Questionnaire (“**CRQ**”) (see section 4.f – Supply Chain). Citi’s policies support the value we place on workforce diversity and the lack of tolerance for unlawful discrimination across the employment lifecycle.

Due diligence and preventive action: Citi Australia is serious about the way our employees and non-employees are treated in the workplace, including in the recruitment process. The employee candidate screening process continues to include review of individuals’ proof of identity, employment history and right to work in the country where the job is located, among other items. For Citi Australia employees, this screening is conducted by Citi’s regional background screening team and an external provider. Before joining, Citi Australia employee candidates are informed as to how they will be compensated for their work, and the specific terms and conditions of employment. Citi Australia continued to comply with applicable legislation in relation to employees’ wages and working conditions during FY2022. For non-employees, the supplier, as the employer, is contractually obliged to screen personnel assigned to Citi Australia. Monitoring processes are in place to ensure suppliers meet their contractual obligations. Similarly, prior to starting an assignment with Citi Australia, suppliers were contractually obliged to inform non-employee candidates of their compensation and terms of engagement during FY2022.

As mentioned in our 2021 statement, employees are encouraged to provide feedback and suggestions for improvement through various channels, including Citi’s global annual anonymous employee engagement survey, known as our Voice of the Employee. In our 2022 survey, a psychological safety index was introduced which along with existing wellbeing questions continues the focus on employee wellbeing. Responses assist in identifying areas for improvement in Citi’s work practices including addressing any potential modern slavery red flags. The FY2022 responses were reviewed by Citi businesses locally and globally, including Citi Australia, with

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action plans implemented for areas of improvement.

Once engaged, employees and non-employees are subject to Citi's global Code of Conduct, which is publicly available on our website in 21 languages. Under the Code of Conduct, all members of Citi's workforce are responsible for creating a work environment free from 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 assist in identifying and remedying any unacceptable workplace practices and misconduct, pursuant to Citi's Code of Conduct and Escalation Policy, members of Citi Australia's workforce are expected to immediately 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. For more details of our process for reporting, escalating, and investigating employee and third-party concerns, refer to Section 7 (Raising Concerns).

b. Operations: Managed or operated joint ventures

Description and assessment of risk: Citi Australia has a number of partnerships, joint ventures and commercial relationships in the markets where we do business. Treasury and Trade Solutions ("TTS") business provides integrated cash management, working capital and trade finance solutions to multinational corporations, financial institutions and public sector organisations in Australia and around the globe. 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 provides underwriting, sale and trading and distribution capabilities to Citi Australia and global clients has commercial arrangements with brokerage firms to provide Citi Australia customers with access to investment products. Given the nature of the services being provided to Citi Australia 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 Australia clients, rather than as third-party vendors, i.e., suppliers, must also be screened 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.

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, Citi Australia undertakes a documented and auditable review and approval process to identify and evaluate significant risks. This includes risks to Citi Australia's 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 Australia 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.

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Citi Australia's diligence process for FY2022 reflected the process used in our previous reporting period, as we understand that it provides an appropriate assessment of modern slavery risk. In FY2022, we continued to rate our risk for managed and operated joint ventures as low.

c. Operations: Charitable activities and sponsorship activities

Description and assessment of risk: Citi Australia continues to partner with Citi Foundation, a separate legal entity headquartered in the United States, in engaging in charitable activities globally, including in Australia. In addition, Citi Australia and its affiliates sponsor various cultural and community organizations. Potential modern slavery risks could arise when Citi Australia or the Citi Foundation select not-for-profit partners or sponsorship opportunities. These activities expose Citi Australia to risks of modern slavery through engaging with non-government organisations ("NGO") with poor working practices and limited protection against modern slavery. However, the risk is considered to be low because contributions are directed only to registered charities and other organizations that have been vetted in line with Citi policies and procedures set out below. The funding for both charities and sponsorships is typically for designated programs, which by their nature tend to be low risk as they are in industries with a lower risk of modern slavery, such as cultural organizations.

Due diligence and preventive action: There continued to be 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 Australia or the Citi Foundation considers for grant making or prospective sponsorship opportunities. In addition to the Anti-Money Laundering ("AML") screening, Citi Australia continues to require Citi Foundation grant applicants and prospective sponsorship partners to complete a modern slavery checklist which considers the following:

- higher risk jurisdictions
- nature of the business
- recruitment practices and
- supplier on-boarding process.

During 2022, Citi Australia financed six (6) charitable events that have been assessed as low risk.

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d. Equity and other investments

As at the end of FY 2022, Citi Australia's businesses continued to hold certain equity and equity-like investments, including in the following entities:

Name	Overview of business
Yieldbroker Pty Limited	The leading licensed electronic trading platform for Australian and New Zealand debt securities and derivatives
Australian Payments Plus Limited (formerly known as NPP Australia Limited)	The legal entity incorporated to build and operate the New Payments Platform ("NPP") - a low value clearing stream in the Australian market
GROW Technology Services Limited (formerly known as DSMJ Pty Limited)	An Australian-based fund administrator initially targeting the superannuation space with a plan to build and support managed funds.

Description and assessment of risk: As at 31 December 2022, Citi Australia's businesses continued to hold certain equity and equity-like investments in the entities listed above. The equity stake in these investments is typically well below ownership or control of the entities. As a shareholder Citi Australia, can still be directly linked to modern slavery risks through its investments.

Due diligence and preventive action: All proprietary equity and equity-like or other investments continued to be covered by the Citi Equity Investment Policy ("CEIP") and Citi New Activity Policy. The Environmental and Social Risk Management ("ESRM") Policy applies to equity investments of USD 5 million or more. All investments covered by the CEIP must be reviewed and approved by the sponsoring business and all relevant control functions, including approval and/or waiver by the appropriate regional and/or global New Activity Committee and / or equivalent committee with the primary purpose to ensure that control-related or other support issues (e.g., bank regulatory, legal, compliance, finance, operations) are addressed. This includes AML due diligence and other assessments of risk. Where necessary, additional control functions such as the ESRM or the Sustainability & ESG team can be brought into the approval process to consider modern slavery red flags. The ESRM Policy prohibits financing of production or activities involving modern slavery, human trafficking or forced labour. The CEIP requires risk assessment which includes ESRM considerations.

Citi Australia has taken steps to establish whether each investment entity has appropriate policies and processes in place to mitigate modern slavery risks. In FY2022 Citi Australia asked each investment entity to complete a questionnaire and no modern slavery issues were identified.

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e. Supply chain

As noted above, Citi Australia's management of modern slavery risks in its supply chain is guided by its Requirements for Suppliers ("Requirements"). 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 Australia. The CRQ described below, assesses supplier conformance with these practices.

i. Description and assessment of risk of Citi Australia supply chain

In 2022, Citi Australia conducted a re-assessment of its supply chain and the outcome did not change the overall supply chain risk profile or ratings from 2021. Based on the risk matrix developed, the more detailed risk assessment identified the following breakdown of Citi Australia's 532 suppliers across the following sectors (high-medium-low):

- **High Risk: 6 suppliers** in electronics (electronics includes laptops, computers and mobile phones); information technology; call centre operations (2 of these suppliers are no longer active for Australia for reasons unrelated to the risk assessment).
- **Medium Risk: 16 suppliers** in business operations and services; information services, information technology, network and communications services; non-employee insurance and HR services; office equipment and supplies; professional services; real estate; travel services (4 of these suppliers are no longer active for Australia for reasons other than the risk assessment).
- **Low Risk: 510 suppliers** in business operations & services; employee benefits; information services; network and communications services; professional services; insurance and HR Services.
- During 2022, Citi Australia considers the risk assessment which was used in 2021 to remain best practice and it ensures alignment with Citi Australia's structural business changes occurring in 2022. All new suppliers onboarded by Citi Australia are assessed for modern slavery risk using the risk assessment matrix.

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

Citi Australia's work in engaging clients 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.

Description and assessment of risk: As a global bank, Citi remains vigilant for the risks associated with human trafficking, the proceeds of which could be laundered using Citi's global transactional network that moves trillions of U.S. dollars a day around the world. The risk is captured as part of Citi's global AML policies and Know Your Customer ("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.

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Citi's ESRM Policy prohibits Citi from directly financing projects or activities involving modern slavery, human trafficking, forced labour, or 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 (which includes, when relevant, application of the Equator Principles); (ii) client relationships covered by sector standards on; and (iii) transactions that trigger one of the ESRM Policy's Areas of High Caution.

The ESRM Policy's Areas of High Caution describe risk factors in client activities that can lead to elevated human rights risks that require enhanced due diligence. These factors include when a transaction supports 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 inbound 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 other case studies of transactional and client relationship reviews by the ESRM team, see our FY2022 [Global ESG Report](#).

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. Citi Australia has an obligation to submit a suspicious matter report if we suspect that a person or transaction is linked to a crime.

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.

i. AML customer due diligence

The Australian AML regime requires 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 continued to be performed on all customers in accordance with our global AML Policy during FY2022. 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.

A core component of screening is a search for negative news, which is required to reasonably discern a customer's reputation and/or involvement in any criminal or higher risk activities. Citi has created 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

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such risk would need to be escalated for further due diligence and decision.

ii. Red flags - key indicators and detection scenarios

Potential financial red flags have been identified by regulators, law enforcement and other international organizations dedicated to preventing money laundering, terrorist financing and other crimes. While there are no scenarios specifically calibrated exclusively for the detection of modern slavery, Citi applies general detection scenarios designed to identify red flags indicative of any type of illicit activity which may disclose connections with modern slavery upon investigation. 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, our AML intelligence units will submit a Suspicious Matter 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.

iii. 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 Financial Crimes Investigations & Intelligence team ("GFCII"). The GFCII has a broad skill set in its teams, including attorneys, former law enforcement officers, forensic accountants, banking compliance professionals and a dedicated team of data analytics experts. Also, the GFCII maintains partnerships with various non-profit organisations 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

- GFCII's global teams continue to engage with law enforcement agencies in their appropriate regions to obtain specific intelligence and typologies relating to modern slavery and human trafficking threats that exist in region and globally.
- APAC GFCII continues to receive relevant actionable intelligence from law enforcement agencies ("LEAs") in the region (in particular the international LEA representatives in the region from the US, UK, Australia and Interpol.), that allow direct assessment of exposure to modern slavery.

Further details concerning these engagements are set out in our 2021 Modern Slavery Statement.

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With peers and other stakeholders

- The GFCII team continues to engage with the following agencies:
 - **The United Nations' Finance Against Slavery and Trafficking (FAST) Initiative's Survivor Inclusion Initiative**
 - **Financial Coalition Against Child Sexual Exploitation**
 - **NGOs** including, but not limited to, Polaris, Stop the Traffik, the ICMEC, and Liberty Global.

For more detailed information on the above initiatives, please refer to Citi Australia's 2021 Modern Slavery Statement.

iv. Financial crimes case studies

Citi's Financial Crimes division, in particular the GFCII (including using data analytics techniques conducted by GFCII's Data Intelligence team), conduct proactive projects that target modern slavery indicators and red flags across regions. As these are targeted investigations, they focus on a specific type of potential modern slavery activity exposure within the bank. Related GFCII investigations have addressed human trafficking and forced labour, resulting in client exits, regulatory escalations to authorities and feedback and training to Citi staff. Examples of recent projects ongoing through FY2022 include:

- **Cyber-slaves:** APAC GFCII commenced a targeting project in 2022 related to an emerging modern slavery scenario known as "cyber-slaves". Open-source intelligence obtained in 2022 indicated that Taiwanese nationals have been lured to Cambodia by the promise of high-paying jobs. Once in Cambodia the victims would be detained by the scam rings and were subsequently beaten, resold, and forced to work in telecom scam networks. As of August 2022, the National Police Agency in Taiwan estimated at least 2,000 Taiwanese had been trafficked to Cambodia. Similar intelligence has been identified related to other APAC countries such as Hong Kong and Malaysia. The primary location in Cambodia where this criminal activity occurs is a Sihanoukville, a province in south-west Cambodia. Recent intelligence indicates that because of local and international law enforcement efforts, the location of these "cyber-slaves" is extending to Laos and Myanmar. In addition, recruitment jurisdictions are extending to more countries, including Australia. APAC GFCII has discussed the matter with LEAs in the region, including Cambodia and have designed an approach to target known red-flags. Given Citi has no presence in Cambodia, initial targeting will focus on recruitment countries and transit countries, such as Thailand.
- **AUSTRAC** has published a financial crime guide on forced sexual servitude which will help businesses identify and report suspicious activity related to forced sexual servitude. Forced sexual servitude is a form of slavery which represents around 30% of slavery cases in Australia.

For more detailed information of projects Citi Australia completed prior to 2022, please refer to Citi Australia's 2021 Modern Slavery Statement.

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5. Citi's governance, policies and procedures related to modern slavery risks

a. Governance

Respecting human rights is a shared responsibility across the firm. Citi Australia's business implements and utilises policies and governance structures established by its global parent, Citi. Citi's Board of Directors provides oversight of Citi's global approach to considering, evaluating, and integrating our response to human rights and other risks throughout the organization. The Nomination, Governance, and Public Affairs Committee ("NGPAC") of Citi. Board plays an integral role in executing the Board's oversight of sustainability issues, including human rights. The NGPAC also reviews Citi's governance and significant policies and programs for sustainability and human rights issues and oversees management's engagement efforts with investors and major external stakeholders on such as sustainability and human rights matters. For more information on the roles and responsibilities of the NGPAC, please see our [NGPAC Charter](#).

Citi's Chief Sustainability Officer ("CSO") leads the Sustainability & Environmental Social Governance team and develops and drives Citi's sustainability and human rights strategy across the firm, in close partnership with banking, risk, operations, and other functions globally. The CSO provides updates to the NGPAC on key issues, trends and results, and reports to the Global Head of Public Affairs, who in turn reports to Citi's CEO.

Modern slavery risks related to Citi's clients are addressed both by our global ESRM team in Risk Management which governs implementation Citi's ESRM Policy for client transactions with potential environmental and social risks, and Citi's global AML function which has responsibility across the firm for client and transactional due diligence on AML risk, including those related to modern slavery. The RMO is responsible for global supply chain practices across different regional teams and uses the CRQ as a way to further identify red flags that may indicate modern slavery risks in Citi's supply chain.

These functions work collaboratively with other enterprise functions at Citi to ensure our policies and procedures meet the legal requirements of jurisdictions in which we do business while respecting internationally recognised human rights and associated standards.

To learn more about Citi Australia's values, governance structure and policies on human rights and other social and environmental issues, please visit the Environmental and Social Information section of our global [Corporate Governance page](#).

b. Key policies and principles relevant to modern slavery

Prior to the implementation of the Australia Act, Citi's global parent 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, including the following, which are periodically updated:

- Citi's [Statement on Human Rights](#), which expresses our support for the protection and promotion of human rights, including those in the United Nations Universal Declaration of Human Rights and the International Labour Organization's Core

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Conventions, which encompass forced labour and child labour;

- 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. The Code of Conduct provides mechanisms, such as our global Ethics Hotline, for addressing concerns from members of our workforce, supply chain participants, or the public;
- Citi's [Environmental and Social Policy Framework](#), which encapsulates our approach and the standards we apply to environmental and social issues in the financing of our clients' activities;
- Citi's [Statement of Supplier Principles](#), which communicates our expectations on human rights and labour issues to our suppliers;
- Citi's [Requirements for Suppliers](#), which facilitate compliance by suppliers with Citi policies and expectations in the course of providing services to Citi and contain specific prohibitions against the key elements of modern slavery; and
- 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.

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 works 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 FY2022 [ESG Report](#).

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6. Risk management and monitoring effectiveness

Risk Management

Citi demonstrates a safe and sound risk culture, and assesses and manages risk, by:

- Setting an appropriate tone from the top, through Citi's Mission and Value Proposition, the principle of Responsible Finance, and Citi's global, business, and regional communications strategy, which work together to establish the values expectations for the firm.
- Setting appropriate standards, through Citi's Code of Conduct, Leadership Principles, and global, business, and local policies and procedures, which work together to set the behavioural and other conduct standards for employees of the firm.
- Establishing a robust risk management and governance framework including risk policies, risk limits and metrics including early warning triggers where appropriate, concentrations, and a defined protocol for reporting, escalating and resolving limit breaches and other risk management issues.
- Requiring partnership, open dialogue, escalation and transparency among the three lines of defence, including input by the second line of defence in risk-taking decisions and representation by control functions on senior management committees.
- Establishing comprehensive training programs, through risk, compliance and leadership training programs, such as the Citi Country Officer Risk training and Citi's ethics and leadership training.
- Establishing comprehensive performance management and compensation programs that measure and evaluate performance based on goals achieved balanced against the values, attitudes, competencies, and behaviours, including risk behaviours used in achieving such goals; and making compensation and rewards decisions in line with the values and behavioural expectations of the firm.
- Having a Risk Appetite Statement ("RAS") which forms part of the broader Risk Management Framework. The objective of the RAS is to clearly and consistently communicate the types and levels of risk Citi is willing to take within risk appetite.

Monitoring Effectiveness

Citi Australia setup a modern slavery working group in 2021. The working group is comprised of business subject matter experts ("SMEs") and representatives from our Legal and Independent Compliance Risk Management team and has been mandated to:

- Review the key modern slavery risk factors for Citi Australia and the industry it operates in;
- Assess modern slavery risk across the operations and supply chains of Citi Australia; and
- Define and execute the strategy for responding to any identified modern slavery risks.

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For Citi Australia's FY2022 Modern Slavery Statement, the SMEs used Citi Australia's 2021 Modern Slavery Statement and Risk Assessment as a basis of reviewing effectiveness in assessing and addressing modern slavery risks across Citi Australia's operations and supply chain. As part of the review the working group assessed if there were any additional risks or opportunities to improve key controls and further reduce the risk of modern slavery alongside sustainability and reputational risks for Citi Australia.

In addition, Citi Australia engaged with and sought input from external legal that specialise in modern slavery law in refining its modern slavery risk assessment.

Formal governance oversight across Citi Australia's Modern Slavery Statement is provided by Citi Australia's Executive Committee and the Boards of the Citi Australia legal entities which also consider the adequacy and effectiveness of processes that support the identification, monitoring and management of risks (including modern slavery risks), as well as areas of continuous improvement.

Key Monitoring Metrics for FY2022

- **Suppliers**
 - **100%** of suppliers on-boarded in FY2022 have accepted Citi Standards for Suppliers and Modern Slavery provisions.
- **Investments**
 - **100%** of modern slavery due diligence conducted for the three investments that Citi Australia held in FY2022 with no modern slavery risk noted.
- **Employees**
 - **100%** of Citi Australia employees have completed their Code of Conduct compliance training for the FY2022 period.
 - **24 %** of Citi Australia employees have completed the Modern Slavery Awareness training in FY2022.
- **Customers**
 - **100%** of new clients onboarded have been AML name screened for negative news (which include screening against adverse media and global red flags). The onboarded clients and all existing clients are subject to Citi's AML Transaction Monitoring program. These processes work in tandem to aid in preventing on-boarding of a client potentially associated with modern slavery concerns and to also monitor clients which may detect potential connections to modern slavery upon further investigation.

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7. Raising concerns

As reported in our last statement, there are multiple channels available to members of Citi Australia's workforce, and any third party, to raise concerns relating to modern slavery, including our global Ethics Hotline. Concerns may be reported anonymously to the Ethics Hotline to the extent permitted by applicable laws and regulations. When concerns are raised with respect to potential misconduct, Citi Australia 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 Australia prohibits any form of retaliatory action against anyone who raises concerns or questions in good faith regarding ethics, discrimination, or harassment matters or reports suspected violations of other applicable laws, regulations, or policies; or those who participate in a subsequent investigation of such concerns, or concerns raised under the Citi Australia Whistleblower Policy. 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.

During the period, FY2022, there were no matters raised in relation to modern slavery. Being able to raise matters to the Ethics Office with the option to remain anonymous is a speak up avenue Citi Australia will continue to promote among its employees, non-employees and suppliers.

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8. Enhancing effectiveness in future reporting periods

Citi is committed to the continuous improvement of our processes and actions 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 on the effectiveness of work from previous years, we intend to review the below processes:

- **Supply chain:** Further improvement of the CRQ. The effectiveness of the CRQ was assessed by Citi's Audit division which resulted in the identification of an area of improvement in the way that any prospective issues (which may include modern slavery) were escalated and tracked to closure. This improvement is subject to a global action plan for 2023.
- **Training and education:** Further work is being completed in 2023 in collaboration with Citi UK and an external training provider to develop and enhance the modern slavery training content available to Citi Australia employees.
- **Engagement with modern slavery advocacy groups:** In addition to attending the ABA's quarterly Modern Slavery and Human Rights Working Group, Citi Australia will be looking to engage with other Australian based modern slavery advocacy groups for example Anti-Slavery Australia and Human Rights Law Centre to collaborate on training and awareness sessions for Citi Australia employees.

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9. Consultation between reporting entities

As part of the process to complete this FY2022 Statement, Citi's Australia Chief Administration Officer coordinated the flow of information and shared feedback between the boards and executive committees of the relevant Citi Australia reporting entities.

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10. Approval

The Citibank N.A. Board is based in New York and has oversight over 160 countries (including Australia) in which the company operates its banking businesses through branches that fall under the separate jurisdictional regulatory requirements applying in each of those countries.

In accordance with section 14(2)(d)(iii) of the Act, this Statement has been approved by the principal governing bodies of each of Citigroup Global Markets Australia Pty Limited, Citigroup Global Markets Australia Holdings Pty Limited and Citigroup Pty Limited (i.e., more than one reporting entity covered by the Statement).

The Statement has also been approved by the Citibank N.A. Senior Officer outside Australia (“**SOoA**”), on behalf of Citibank N.A., who, pursuant to the requirements under APRA Prudential Standard CPS 510 Governance, is the nominated senior officer outside Australia with delegated authority from the Citibank N.A. Board of Directors and has responsibility for overseeing Citibank N.A.’s Australian branch operations. The SOoA position is akin to a quasi-Board and the SOoA is a designated “accountable person” under the Banking Executive Accountability Regime in his/ her oversight role.

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Appendix 1

How Citi addresses its modern slavery reporting obligations

Mandatory Reporting Criteria	Citi's Approach / Location in Modern Slavery Statement
1. Identify the reporting entity	Citi's structure, business operations and supply chain Page 6
2. Describe the reporting entity's structure, operations and supply chains	Citi's structure, business operations and supply chain Page 6
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Risk assessment, due diligence and preventive action processes Page 6 -7
4. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	Risk assessment, due diligence and preventive action processes Page 6 - 7 Citi's governance, policies and procedures related to modern slavery risks Page 6 - 7
5. Describe how the reporting entity assesses the effectiveness of these actions	Monitoring Effectiveness Page 19
6. Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement), and	Citi's structure, business operations and supply chain Page 6 Consultation between reporting entities Page 22
7. Provide any other relevant information	Raising concerns Page 20

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This Statement was approved by the Citigroup Pty Limited Board, the principal governing body for the reporting entity.



Mark Woodruff
Chief Executive Officer and Director

This Statement was approved by the Citigroup Global Markets Australia Pty Ltd Board, the principal governing body for the reporting entity.



Mark Woodruff
Director

This Statement was approved by the Citigroup Global Markets Australia Holdings Pty Ltd Board, the principal governing body for the reporting entity.



Mark Woodruff
Director

This Statement was approved by the Senior Officer of Citibank N.A. outside Australia, on behalf of Citibank N.A.



Timothy Monger
Senior Officer outside Australia

