WHEREAS: Animal welfare issues present material financial, operational, and reputational risks for companies that receive financing from our Company, and to Citigroup as their financier.

The risks of mismanaging animal welfare include business disruption or loss of goodwill associated with inhumane treatment of animals such as animal testing and conditions of habitation, but they also may include environmental impacts of factory farming and related supply chain risks, and potential liabilities associated with issues of food safety, including diseases passed from animals to humans and overuse of antibiotics in livestock.[1]

OpenInvest published an analysis of these issues: "A company that does not disclose or prioritize its processes or impact on animal welfare raises questions for investors on how effective that company can be in managing potential risks or opportunities down the road. It is also impossible to assess future risk without the disclosure of the right information."[2]

To minimize these risks, some banks are taking animal welfare issues into account as part of their lending due diligence practices.

However, Citi's oversight on animal welfare is miniscule, at best. Citi's Environmental and Social Policy Framework discusses due diligence regarding financing that potentially impacts critical habitat and areas of high conservation value[3], and "traceability" in beef supply chains. However, this due diligence is limited to "areas of high caution" and "sensitive ecoregions", failing to address the **welfare** of animals involved.[4] Consideration for biodiversity and habitat loss in sensitive ecoregions **does not** equate to consideration for animal welfare.

Further, "animal welfare" is never mentioned in any of Citi's reports, policies, or governance documents.

Though peers like Wells Fargo & Goldman Sachs perform abysmally regarding animal welfare, Citi performs even worse with a score of "**0**", according to the Banks for Animals scorecard. Goldman notes financing to plant-based companies, and Wells Fargo has Sustainable Finance Eligibility criteria, whereas Citi does not and is seemingly lacking

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[1] https://www.openinvest.com/articles-insights/support-animal-welfare

[2] New Animal Welfare Cause: How to Avoid Future Risk and Hold Businesses Accountable, Published on May 12, 2021. https://www.openinvest.com/articles-insights/support-animal-welfare

[3] https://www.citigroup.com/rcs/citigpa/storage/public/Environmental-and-Social-Policy-Framework.pdf

[4] https://www.citigroup.com/rcs/citigpa/storage/public/Global-ESG-Report-2022.pdf

oversight in **numerous** key areas relating to animal welfare, including but not limited to "Animal Farming and Food Production" and "Animal Testing".[5]

Alternatively, banks like Triodos and de Volksbank established specific exclusionary criteria to reduce exposure to animal cruelty and its associated risks.[6] [7]

Simply because a process is not disclosed, does not necessarily indicate a lack of due diligence. However, neglecting to publicly acknowledge oversight on animal welfare risks the perception of our company's failure of oversight on critical issues. Publicly asserting how Citigroup addresses the issue of animal welfare when considering financing decisions would not only increase transparency but enhance Citi's overall reputation.

<u>RESOLVED:</u> Shareholders request that Citigroup publish a report at reasonable expense and excluding proprietary and privileged information, disclosing whether and how the Board of Directors exercises its oversight regarding material risks associated with animal welfare.

[5] https://banksforanimals.org/institutions/citigroup/
[6] https://www.triodos.com/en/articles/2022/triodos-bank-updates-minimum-standards
[7] https://static.devolksbank.nl/files/Guide-ASN-Sustainability-Criteria-2022.pdf?v=1683199950