

RESOLVED that shareholders of Citigroup Inc. (“Citi”) urge the Board of Directors to oversee a racial equity audit analyzing Citi’s adverse impacts on nonwhite stakeholders and communities of color. Input from civil rights organizations, employees, and customers should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Citi’s website.

SUPPORTING STATEMENT

High-profile police killings of black people—most recently George Floyd—have galvanized the movement for racial justice. That movement, together with the disproportionate impacts of the COVID-19 pandemic have focused the attention of the media, the public and policy makers on systemic racism, racialized violence and inequities in employment, health care, and the criminal justice system. In September 2020, CEO Michael Corbat noted Citi “[was] committed to leading the way and investing in communities of color to build wealth and strong financial futures.”¹ Citi has committed \$1 billion over four years to close the racial wealth gap.

Citi has a conflicted history when it comes to addressing racial injustice within the communities it serves. In 2019, the Treasury Department’s Office of the Comptroller of Currency assessed a \$25 million fine against Citi for failing to offer all eligible customers mortgage discounts and credits, adversely impacting customers of color. Citi also imposes a minimum maintenance fee of \$12 per month for checking account customers or a minimum daily balance of \$1500. Such minimum fees and balances disproportionately impact people of color and can inhibit wealth creation among these communities. Lastly, the company discloses that over 45.8 % of its workforce are people of color, yet there is only one Black executive within its C-suite, according to a study by Stanford University.

The impact of Citi’s practices on communities of color has been exacerbated by the coronavirus pandemic. Citi was one of the banks selected for the Paycheck Protection Program. A recent House of Representatives’ report found that Citi instituted a policy of only accepting applications for funding from clients with an existing banking relationship, despite its own internal assessment that recognized “a policy of not taking non-customers might create heightened risk of disparate impact on minority and women-owned businesses.”²

Citi’s activities with potential adverse impacts are not limited to the employment and lending contexts. Citi donated \$242,000 during the 2020 election cycle to 74 members of Congress who are rated “F” by the NAACP.

¹ Citi Press Release, September 23, 2020, available at <https://www.citigroup.com/citi/news/2020/200923a.htm>.

² *Banking Dive*, “House panel blasts banks over gap in PPP loan processing times,” Oct. 19, 2020, available at <https://www.bankingdive.com/news/paycheck-protection-program-loan-processingHouse-Select-Subcommittee-Coronavirus-Crisis/587294/>.

A racial equity audit would help Citi identify, prioritize, remedy and avoid adverse impacts on nonwhite stakeholders and communities of color. We urge Citi to assess its behavior through a racial equity lens in order to obtain a complete picture of how it contributes to, and could help dismantle, systemic racism.