



388 Greenwich St.  
New York, NY 10013

Johan Frijns  
Director, BankTrack  
[johan@banktrack.org](mailto:johan@banktrack.org)

December 9, 2016

Dear Johan,

I am writing in response to your letter dated November 30, 2016, regarding the Dakota Access Pipeline.

While we are limited in what we can say with regard to this specific project, I want to take this opportunity to underscore that Citi continues to be very concerned about the situation on the ground in North Dakota, and that this issue has the attention and focus of our senior executives. We have had extensive conversations with numerous stakeholders from the NGO, human rights, academic, socially responsible investor, and tribal communities to understand different perspectives on this rapidly evolving situation.

We understand that stakeholders believe that banks should withdraw the project loan. However, we have signed a contract to provide the loan and cannot terminate this contract unilaterally. We have, instead, continuously engaged with the project sponsors, Energy Transfer Partners (ETP) and Sunoco Logistics, over the past four months to discuss our concerns and advocate for careful use of security to ensure everyone's safety, and for constructive dialogue with the Standing Rock Sioux Tribe in an effort to come to a resolution. As a result of this engagement with both the sponsors and the bank group, Foley Hoag LLP, an independent human rights expert, has been retained to advise the lenders to the Dakota Access Pipeline and to review various matters related to the permitting process, including compliance with applicable law related to consultations with Native Americans. This review will include the evaluation of policies and procedures employed by ETP and Sunoco Logistics in the areas of security, human rights, community engagement and cultural heritage. Following this review, the expert will develop recommendations for improvements in line with international standards with respect to the sponsors' social policies and procedures going forward. The lenders understand that the sponsors will review and consider all of the recommendations. Citi will be playing a leadership role with TD Bank to coordinate this study and the bank group.

As you know, Citi has a longstanding commitment to sustainability and human rights, and we have publicly stated our support for the United Nations Guiding Principles on Business and Human Rights and other international frameworks in our Statement on Human Rights. As a co-founder and steering committee member of The Equator Principles, a risk management framework adopted by over 80 financial institutions, we continue to be very focused on assessing and managing environmental and social risk in projects. The Equator Principles social risks working group organized a webinar recently on Indigenous Peoples due diligence to help all of us learn from constantly evolving best practice in this area.

This case has brought forward concerns that there are gaps between U.S. regulatory requirements and international best practice on consultations with Indigenous Peoples. We continue to support the U.S. government's efforts to engage tribal governments on how their views can be better incorporated into



388 Greenwich St.  
New York, NY 10013

project review processes, and we will closely follow the outcomes of those consultations. As the project review continues, we strongly reiterate our primary concern that all parties work to establish and maintain a safe and respectful environment for both the protestors and pipeline workers.

We understand that this response will be shared with the more than 500 organizations and individuals that signed the letter. Thank you for your role in facilitating this dialogue.

Sincerely,

Valerie C. Smith  
Director, Corporate Sustainability