



April 14th, 2010

Vikram Pandit
Chief Executive Officer
Citigroup, Inc.
399 Park Avenue
New York, NY 10043

Dear Mr. Pandit:

There is an ecological and human tragedy occurring in the United States. Coal mining companies in Appalachia are engaged in dangerous, reckless, and unnecessary practices known as mountaintop removal coal mining, which involve blowing up entire mountains and dumping the rock and debris into the valleys below, burying streams. These practices are destroying Appalachian communities, the health of coal-field residents, their diverse environment, and any hope for economic growth. Unfortunately, we understand that Citi may be contributing to this destruction by providing financial support to these coal mining companies. Financial support for companies engaged in mountaintop removal coal mining is a risky endeavor as people demand an end to the damaging practices and judge their companies and public officials accordingly.

To help people concerned about mountaintop removal coal mining understand which financial institutions are supporting the practices, Rainforest Action Network (RAN), Sierra Club, and BankTrack are planning to publish a Mountaintop Removal Report Card grading financial institutions on their environmental and financial risk management policies and procedures regarding support for companies engaged in mountaintop removal coal mining. We are therefore writing to request information about formal and public policies Citi has in place that move the nation toward ending the tragedy that is mountaintop removal coal mining.

To assist in your response to this request we have outlined the grading criteria for the Mountaintop Removal Report Card below, including our current assessment of your policies and what grade they would receive. If we do not receive any additional information from your company by April 30th, this is the basis from which we will proceed. Please respond to astarbuck@ran.org and mark.kresowik@sierraclub.org. Thank you very much, we look forward to hearing from you promptly.

RAINFOREST ACTION NETWORK

221 Pine Street | 5th Floor | San Francisco, CA | 94104 | Tel (415) 398-4404 | Fax (415) 398-2732 | RAN.org

SIERRA CLUB

85 Second Street, 2nd Floor | San Francisco, CA | 94105-3441 | Tel (415) 977-5500 | Fax (415) 977-5792 | www.sierraclub.org

Gold standard (Grade 'A'):

Financial institution has developed its own public policy: complete sector exclusion (all mountaintop removal coal mining companies) in its commercial lending and investment banking services.

Essential elements (Grade 'B')

Financial institution has developed its own policy for its commercial lending and investment banking services, to include all of:

- Enhanced due diligence with a threshold performance standard to the effect that the bank will not lend to or provide investment banking services for companies whose surface mining activities are more than 5% of their total coal extraction activities in KY, TN, VA & WV.
- Due diligence to include a review of legal compliance, potential material legal abilities, and exposure to litigation
- Regular reporting with case studies
- Policy publicly available, alongside other environmental policies

Half the essential elements (Grade 'C')

The bank has developed its own policy for its commercial lending and investment banking services, to include all of:

- Enhanced due diligence with an identified performance standard
- Due diligence to include a review of legal compliance, potential material legal abilities, and exposure to litigation
- Regular reporting with case studies
- Policy publicly available, alongside other environmental policies

Vague policy (Grade 'D')

The bank has developed its own policy, but it is vaguely worded without clear commitments

Fail (Grade 'F')

The bank is active in this sector but has no investment policy for this sector/issue

Current Bank Grade – Citi

Policy: <http://www.citigroup.com/citi/environment/mrcm.htm>

The Diligence Process is triggered when engaging any client that uses MTR as an extraction method, and includes an MTR Risk Assessment Questionnaire that Citi will discuss with relevant clients as a part of our transactional due diligence. Under certain circumstances, Citi may require an Independent Review. Prior to new transactions, Citi will conduct appropriate due diligence and evaluate companies that engage in MTR extraction in Central Appalachia...

Proposed Grade: 'D+'

Sincerely,



Mary Anne Hitt
Director, Beyond Coal Campaign
Sierra Club



Amanda Starbuck
Director, Global Finance Campaign
Rainforest Action Network