Regions

2021
CDP CLIMATE CHANGE QUESTIONNAIRE RESPONSE

Regions Financial Corporation - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Regions Financial Corporation (NYSE:RF) is a financial holding company headquartered in Birmingham, Alabama, with operations across the South, Midwest, and Texas. Through its subsidiaries, Regions provides traditional commercial, retail, and mortgage banking services, as well as other financial services in the fields of asset management, wealth management, securities brokerage, trust services, merger and acquisition advisory services, and other specialty financing. Regions is a member of the S&P 500 Index.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Bank lending (Bank)

Investing (Asset manager)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Board's Risk Committee is expressly charged in its charter with overseeing the Company's management of environmental risks, such as those related to climate change. This responsibility includes reviewing, approving, and operationally overseeing an enterprise-wide Risk Management Framework that integrates climate-related risks, including physical and transition risks, into the Company's broader risk management processes. The Risk Committee also reviews and approves the Company's risk tolerance parameters, within which environmental risk is a growing area of emphasis. Management regularly reports to the Risk Committee on how these risk strategies are being effectuated.
Board-level committee	The Board's Nominating & Corporate Governance (NCG) Committee is formally charged in its charter with overseeing the Company's environmental practices and reporting. For example, in 2020, the Committee reviewed key environmental disclosures, such as our 2019 Annual Review & ESG Report, prior to public release. This oversight function also includes the establishment and execution of environmental targets, such as the 2023 carbon emissions and energy use reduction goals established through our Environmental Sustainability Policy Statement; the Committee reviews the Environmental Sustainability Policy Statement on at least a biennial basis. To aid in monitoring our progress against these goals, the Committee receives reports from members of senior management on the energy efficiency, sustainability, and environmental risk management initiatives aimed at attaining those targets.
Board-level committee	The Board's Audit Committee considers climate-related issues through its oversight of major financial risk exposures like climate change. Namely, the Audit Committee reviews the constant evolution of our disclosure on the risks posed by weather-related events and other physical risks, as well as the transition risks we face, in our Annual Report on Form 10-K. The Audit Committee also oversees the activity of our Internal Audit team, including internal audit reviews of our environmental reporting.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our bank lending activities Climate-related risks and opportunities to our investment activities	Climate-related risks and opportunities factored into several of the Risk Committee's key oversight functions in 2020. Each year, the Committee reviews and approves the Enterprise Risk Appetite Statement, which articulates the risk tolerance parameters to be used by management in Company's operational strategy. In 2020, the Committee voted to add environmental risks into the Statement. The Committee also reviews, approves, and oversees the Risk Management Framework, which acts as a primary, enterprise-wide risk management policy. The 2020 Framework approved by the Committee indicates the role of environmental sustainability objectives in the Company's broader risk culture and charges every associate with the responsibility to identify environmental risks in all activities. The Committee must also review and approve its Committee Charter each year, and in 2020 the Committee approved its own oversight of environmental risks, including climate change risks, as one of its articulated responsibilities. Overseeing these integral strategies and policies requires ongoing monitoring by the Committee. The Chief Risk Officer (CRO) is ultimately accountable to the Committee for executing enterprise-wide risk management and reports to the Committee at each quarterly meeting on performance against the Statement and the Framework. In 2020, these updates frequently included results of the ongoing evaluation of environmental risk in relation to the Framework. Additional targeted reports from members of management provided the Committee with more detailed updates on risk assessments and cross-functional collaborative efforts that were focused on the Company's climate-related risks and opportunities.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Risks Officer (CRO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The CRO, who reports directly to the CEO, is the member of management responsible for the Company's daily risk management operations. This includes direct accountability to the Risk Committee for successfully executing both the Enterprise Risk Appetite Statement and the Risk Management Framework approved by the Committee. Since both such documents incorporate climate-related risks, the CRO must ensure that these risks are identified, measured, mitigated, monitored, and reported throughout the Company. To allow the Committee to provide effective oversight, the CRO provides it with a number of reports at each quarter's Committee meeting. For example, the CRO provides a quarterly update to the Committee that commonly covers the development of environmental risk and how the Company is monitoring it. The CRO also provides the Risk Committee with quarterly assessments of the Company's performance against the risk appetite parameters established in the Enterprise Risk Appetite Statement. These assessments incorporate factors relevant to the Statement, including climate change-related risks. These assessments are discussed with the Committee in executive sessions with the CRO. These reports allow the Committee to obtain quarter-by-quarter updates on how the Company is managing environmental risk in accordance with its risk appetite.

The CRO also sits on the management-level Enterprise Risk Management Committee (ERMC), which is responsible for reviewing and discussing the quarterly risk assessments. The risk assessments are based on key risk factors maintained in our enterprise risk library, which we leverage to identify climate-related risks. Under the CRO's leadership, the enterprise risk library has been updated to incorporate several risks that are classified as climate risks, which are further classified as physical risks or transition risks. In this manner, the risk assessment process automatically incorporates climate risks throughout the enterprise. Therefore, when these assessments are reviewed by the CRO and other ERMC members, they are able to remain apprised of our internal exposure to climate-related risks. This awareness then informs the CRO's discussion of these risk assessments with the Risk Committee.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	A portion of the CRO's annual compensation for 2020 was based on individual performance, the assessment of which entailed risk management efficacy (and, therefore, climate-related risk management).

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Other C-Suite Officer	Monetary reward	Behavior change related indicator Other (please specify) (Assessing and managing climate-related risks)	Thirty percent of the CRO's 2020 compensation was based on their individual performance. As provided in our 2020 Proxy Statement, the CRO's individual performance evaluation was based in part on the success and effectiveness of the Company's risk management and governance programs, which as described above include consideration of climate-related issues. Ultimately, the CRO's ability to execute the Company's risk management strategy, and thus attain the 2020 performance rating, necessitated assessing and managing climate-related risks in an effective way.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	No	

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	The scenario analysis we conducted in 2020 generally considered 3 potential time horizons, including a short-term time horizon of less than 2 years. These time horizons helped us better consider the manifestation of different types of risk, though with increasing levels of uncertainty as the time horizons lengthened.
Medium-term	2	5	The scenario analysis we conducted in 2020 generally considered 3 potential time horizons, including a medium-term time horizon of 2-5 years. These time horizons helped us better consider the manifestation of different types of risk, though with increasing levels of uncertainty as the time horizons lengthened.
Long-term	5	30	The scenario analysis we conducted in 2020 generally considered 3 potential time horizons, including a long-term time horizon of >5-30 years. These time horizons helped us better consider the manifestation of different types of risk, though with increasing levels of uncertainty as the time horizons lengthened.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

As a financial institution, it is our responsibility to assess our risks and opportunities in a manner that upholds our legal fiduciary duties. For that reason, we define, evaluate, and report financial impacts on our business primarily through our financial statements filed with the U.S. Securities and Exchange Commission. These disclosures are based on financial materiality, which the International Accounting Standards Board has defined as follows: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements."

However, because different environmental reporting frameworks apply different definitions of relevance, importance, or "materiality" than the definition of financial materiality utilized by the U.S. Securities and Exchange Commission, Regions must determine the substantiality of environmental issues, such as climate-related risks and opportunities, according to how significant or important those issues are to our overall business or to a specific business unit.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
A specific climate-related risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
As an existing risk management practice, Regions utilizes scenario analysis, which is a systematic process to explore the uncertainty inherent in various risks and to evaluate their potential impacts. We leveraged this existing process to frame our climate change risk assessments. Regions assesses the possible impacts to the Company using three climate scenarios from the Central Banks and Supervisors' Network for Greening the Financial System (NGFS). These scenarios depict different transition paths representing various policy actions and timeframes over different time horizons. These scenario analyses help us hypothesize the potential impacts to our lines of business and operations and to consider how existing processes and metrics could be enhanced to identify opportunities for more effective incorporation of climate risk considerations into our business practices. The first climate scenario we utilize is the Orderly scenario, which envisions early, ambitious action to a net-zero CO_2e emissions economy. This assumes climate policies are introduced early and become gradually more stringent, achieving net zero carbon emissions before 2070 and exhibiting relatively low physical and transition risks. However, the transition requires a significant amount of investment in green electricity and storage, energy efficiency, carbon dioxide removal, and carbon capture and storage. The representative scenario indicates immediate shift to 2 degrees Celsius, with carbon dioxide removal technologies available (generated using the GCAM integrated assessment model). The second climate scenario we utilize is the Disorderly scenario, which hypothesizes action that is late, disruptive, sudden, and/or unanticipated. This assumes climate policies are not introduced until 2030, with actions taken relatively late and limited by technologies available; as a result, transition risk is higher. The representative scenario portrays a delayed shift to 2 degrees Celsius, with limited carbon dioxide removal technologies available (generated using the REMIND-MAgPIE integrated assessment model). The third climate scenario we utilize is the Hot House World scenario, in which limited action leads to continually increasing emissions and resultantly strong increased exposure to physical risks. Currently implemented policies are the only ones preserved, with emissions growing until 2080; as a result, global warming exceeds 3 degrees Celsius and physical risks like irreversible rise in sea levels are severe. This scenario was generated using the MESSAGEix-GLOBIOM integrated assessment model. As part of the evaluations, we also consider potential strategic and reputational risks. For the exercise, we generally consider three time horizons: Short term (less than 2 years), medium term (2-5 years), and long term (5-30 years). These time horizons assist us in considering the path of manifestation for different types of risk. As an example, for broader strategic planning, we wanted to better understand the climate-related operational risks we face. To do so, we opted to use the scenario analysis framework described above to assess the impact of physical risks on our business operations. For this analysis, we developed a geospatial data and analytics tool to monitor sea level rise impacts, including affected branches and facilities, under the 3 scenarios. We considered the NGFS's global mean temperature rise, which was based on the MAGICC6 model for Representative Concentration Pathways 2.6 and 6.0. In connection with this analysis, we identified 203 operational loss events between 2013 and 2020, resulting in a total of $22 million in weather-related operational losses. These operational loss events included 63 weather-related events, over 69% of which were hurricanes, 25% were heavy rain/flooding, and 5% were winds/tornadoes. In light of these data inputs we concluded that the chronic physical risks posed to our critical facilities by sea level rise does not suggest material business continuity concerns in the medium term. We also concluded that, going forward, we should continue to enhance our geospatial data and analytics, including more precise impact analysis capabilities, as well as monitoring insurance premiums connected to climate-related physical impacts. Please see also C3.2a.

Value chain stage(s) covered
Direct operations
Upstream

Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
The results of the above-described climate change scenario analysis are subsequently incorporated into our enterprise-wide risk identification and assessment of enterprise risk, which is conducted on an ongoing basis and reported on a quarterly basis. Risk identification is an ongoing process that spans from a granular, transactional view to a wider view of large threats to the entire Company. Beyond the scenario analysis, risk assessments and metrics are implemented to effectively identify risks, including early warning indicators that monitor external developments and key risk indicators that track our internal exposure. Our Risk Management function maintains an enterprise risk library to capture and classify risks at various levels, which we use to identify and incorporate climate-related risks. Several risks in our risk library are classified as climate risks, which are then further classified as physical or transition risks. For example, physical risks include hurricanes and sea-level rise, and transition risks include changes to policy, regulation, or consumer preferences. Risk assessments identify material risks that could have a negative impact to our risk profile and provide for the proactive management of those risks. Risk assessments measure adherence to the Risk Committee's Enterprise Risk Appetite Statement and reinforce the risk culture established through the Risk Committee's Risk Management Framework. Risk assessments are completed for risks within the risk library at various levels of granularity and depth, including aggregate, top-down risk assessments and targeted, bottom-up risk assessments such as those performed for various businesses, products, and suppliers. Risk assessments are also routinely reviewed by committees across the corporate governance structure to monitor risk performance. For example, the first line of defense (e.g., a business group) will use client transactions to identify and own all risks, including those related to climate change; monitor risk performance and report on environmental and other risks to applicable Business Risk Committees; and use relationships and consistencies to identify and manage climate-related opportunities. The second line of defense (e.g., Risk Management) will monitor performance against risk limits; engage with the first line of defense when action should be taken to mitigate an exposure; and report on material environmental risks and issues, such as policy exceptions and limit breaches to management-level committees. The third line of defense (e.g., Internal Audit) will independently assess adherence to policies and risk limits by the first line of defense and the quality of risk oversight administered by the second line of defense, issuing audit findings when deficiencies are identified and ensuring corrective actions are taken. In risk response, the correlation and interdependency of risks are important considerations. The Company, largely through scenario analysis and ongoing risk classification, focuses on the identification of risks that have cause-and-effect relationships, risks that increase or decrease in tandem, and risks that move strongly or weakly in the same direction or in opposite directions. Risks that can be quantified with reasonable confidence are measured to determine how those risks affect our performance and strategy. Qualitative factors are also considered where appropriate to incorporate management's experience and judgment in vetting and evaluating risks. This work continues to be performed and refined for climate-related risks specifically. For example, our scenario analysis results will continue to be incorporated into our risk mitigation and monitoring processes to help us prepare in advance of potential risk events and inform our strategic planning processes. As we become more sophisticated in conducting these analyses, we expect the resultant climate risk insights and mitigation strategies to become ingrained within our risk management strategy. As an example, in the past, our operations have been negatively impacted by severe weather events; we are particularly exposed to hurricanes, given the large portion of our footprint being located in the southeastern United States. As such, we needed to understand on a cross-functional basis what areas of our operations would be affected on a go-forward basis in the event of severe weather. Based on these discussions, we developed a Business Resilience Program overseen by the Risk Committee that provides for the continuation of essential business operations in the event of a disruption or threat of a disruption due to climate-related natural disasters. We supplement this program with a Weather Response Program that includes detailed weather monitoring and onsite Disaster Response + Disaster Recovery. We are examining how these preexisting processes can be further adapted to the potential physical risks to our facilities, operations, and associates posed by more frequent severe weather events due to climate change.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Our risk assessments, including climate-related risk assessments, are founded on the risks in our enterprise risk library, which is maintained by our Risk Management function under the CRO's oversight. Our risk library captures and classifies risks at various levels that relate to our eight key risk types (Compliance, Credit, Legal, Liquidity, Market, Operational, Reputational, and Strategic). This approach allows us to integrate climate-related risks into our broader enterprise-wide risk management process and assess such risks accordingly. "Current regulation" is categorized as an example of the Compliance risk type for climate-related risk assessments. The Compliance risk type is defined as "The risk to current or anticipated earnings or capital arising from violations of laws, rules, or regulations or from nonconformance with prescribed practices, internal policies and procedures, or ethical standards." In this context, we consider current regulation to be (i) a physical risk (e.g., the ability to comply with current regulatory requirements due to extreme climate events) or (ii) a transition risk (e.g., long-term susceptibility to regulatory violations due to evolving regulatory guidance).
Emerging regulation	Relevant, always included	Our risk assessments, including climate-related risk assessments, are founded on the risks in our enterprise risk library, which is maintained by our Risk Management function under the CRO's oversight. Our risk library captures and classifies risks at various levels that relate to our eight key risk types (Compliance, Credit, Legal, Liquidity, Market, Operational, Reputational, and Strategic). This approach allows us to integrate climate-related risks into our broader enterprise-wide risk management process and assess such risks accordingly. "Current regulation" is categorized as an example of the Compliance risk type for climate-related risk assessments. The Compliance risk type is defined as "The risk to current or anticipated earnings or capital arising from violations of laws, rules, or regulations or from nonconformance with prescribed practices, internal policies and procedures, or ethical standards." In this context, we consider current regulation to be (i) a physical risk (e.g., the ability to comply with emerging regulatory requirements due to extreme climate events) or (ii) a transition risk (e.g., long-term susceptibility to regulatory violations due to evolving regulatory guidance).
Technology	Relevant, always included	Our risk assessments, including climate-related risk assessments, are founded on the risks in our enterprise risk library, which is maintained by our Risk Management function under the CRO's oversight. Our risk library captures and classifies risks at various levels that relate to our eight key risk types (Compliance, Credit, Legal, Liquidity, Market, Operational, Reputational, and Strategic). This approach allows us to integrate climate-related risks into our broader enterprise-wide risk management process and assess such risks accordingly. "Technology" is categorized as an example of the Operational risk type for climate-related risk assessments. The Operational risk type is defined as "the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events." In this context, technology can be (i) a physical risk (e.g., the impact of climate events on system availability, associate preparedness, and third-party performance) or (ii) a transition risk (e.g., change management associated with evolving processes internally and at third parties).
Legal	Relevant, always included	Our risk assessments, including climate-related risk assessments, are founded on the risks in our enterprise risk library, which is maintained by our Risk Management function under the CRO's oversight. Our risk library captures and classifies risks at various levels that relate to our eight key risk types (Compliance, Credit, Legal, Liquidity, Market, Operational, Reputational, and Strategic). This approach allows us to integrate climate-related risks into our broader enterprise-wide risk management process and assess such risks accordingly. Legal risks are themselves a risk type for the purpose of climate-related risk assessments. The Legal risk type is defined as "the risk associated with the failure to meet Regions' legal obligations from legislative, regulatory, or contractual perspectives." In this context, Legal risks can be (i) a physical risk (e.g., real or perceived customer harm driven by climate events that lead to legal claims) or (ii) a transition risk (e.g., sustained increase in legal action due to negative economic impacts to customers and third-parties and evolving legal requirements).
Market	Relevant, always included	Our risk assessments, including climate-related risk assessments, are founded on the risks in our enterprise risk library, which is maintained by our Risk Management function under the CRO's oversight. Our risk library captures and classifies risks at various levels that relate to our eight key risk types (Compliance, Credit, Legal, Liquidity, Market, Operational, Reputational, and Strategic). This approach allows us to integrate climate-related risks into our broader enterprise-wide risk management process and assess such risks accordingly. Market risks are themselves a risk type for the purpose of climate-related risk assessments. The Market risk type is defined as "the risk to our financial condition resulting from adverse movements in market rates or prices, such as interest rates, foreign exchange rates, or equity prices." In this context, Market risks can be (i) a physical risk (e.g., the impact of climate events on economic activity and asset prices) or (ii) a transition risk (e.g., long-term decline in value of transition-resistant investment securities).
Reputation	Relevant, always included	Our risk assessments, including climate-related risk assessments, are founded on the risks in our enterprise risk library, which is maintained by our Risk Management function under the CRO's oversight. Our risk library captures and classifies risks at various levels that relate to our eight key risk types (Compliance, Credit, Legal, Liquidity, Market, Operational, Reputational, and Strategic). This approach allows us to integrate climate-related risks into our broader enterprise-wide risk management process and assess such risks accordingly. Reputational risks are themselves a risk type for the purpose of climate-related risk assessments. The Reputational risk type is defined as "the potential that negative publicity regarding our business practices, whether true or not, will cause a decline in our customer base, costly litigation, or revenue reductions." In this context, Reputational risks can be (i) a physical risk (e.g., a publicized environmental disaster at a prominent client's facility) or (ii) a transition risk (e.g., a perceived lack of commitment to navigating climate change amongst stakeholders).
Acute physical	Relevant, always included	Our risk assessments, including climate-related risk assessments, are founded on the risks in our enterprise risk library, which is maintained by our Risk Management function under the CRO's oversight. Our risk library captures and classifies risks at various levels that relate to our eight key risk types (Compliance, Credit, Legal, Liquidity, Market, Operational, Reputational, and Strategic). This approach allows us to integrate climate-related risks into our broader enterprise-wide risk management process and assess such risks accordingly. Acute physical risks are incorporated across the eight risk types in the risk library. Generally, risks categorized as "physical risks" are risks associated with the physical effects of climate change; acute physical risks are defined as singular extreme weather events. For example, the Reputational risk type provides, as an example of physical risk, a publicized environmental disaster at a prominent client's facility.
Chronic physical	Relevant, always included	Our risk assessments, including climate-related risk assessments, are founded on the risks in our enterprise risk library, which is maintained by our Risk Management function under the CRO's oversight. Our risk library captures and classifies risks at various levels that relate to our eight key risk types (Compliance, Credit, Legal, Liquidity, Market, Operational, Reputational, and Strategic). This approach allows us to integrate climate-related risks into our broader enterprise-wide risk management process and assess such risks accordingly. Chronic physical risks are incorporated across the eight risk types in the risk library. Generally, risks categorized as "physical risks" are risks associated with the physical effects of climate change; chronic physical risks are defined as gradual changes in climate. For example, the Liquidity risk type provides, as an example of physical risk, the impact of climate events on economic activity and funding for operations.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	In our 2020 scenario analysis exercise, we assessed the forward-looking impact of transition risks on our Commercial & Industrial lending portfolio. We assessed 100% of this portfolio, which consists of $41.3 billion in outstanding loan balances and $73.3 million in total commitments. This exercise specifically used a hypothetical Disorderly scenario, which we deemed the most relevant for this type of assessment. In a Disorderly scenario, a sudden and unanticipated response is disruptive but sufficient enough to meet climate goals. In the analysis, we found that the two sectors most exposed to a Disorderly transition scenario are Energy ($4.0 billion in total commitments) and Transportation & Warehousing ($4.1 billion in total commitments), which cumulatively represent 11% of the Commercial & Industrial loan commitments. The scenario analysis results indicated an expectation of negative risk rating migration in more than 25% of each such portfolio sector. Under the scenario analysis process, the remaining 15 sectors of our portfolio carried either no or a moderate expectation of negative risk rating migration as a result of the transition risks tied to climate change. Our 2020 scenario analysis also examined the impact of physical risks on our real estate lending portfolios. These portfolios were analyzed using the Disorderly scenario described above, as well as the Orderly (begin reducing emissions now to meet climate goals in a measured way) and the Hot House World (continued increase in emissions with little to no aversion of physical risk) scenarios. The analysis findings for the Orderly and Disorderly scenarios indicated no material impact on the physical risks related to the real estate portfolios. However, in the Hot House World scenario, with a two-degree long-term rise in sea levels, we found that 11% of our consumer and commercial real estate portfolios could be impacted to various degrees. We are in the process of developing new approaches to quantitatively measuring climate risks in our loan portfolios, including enhancing our client-level borrower assessment to embed additional environmental factors into our underwriting and monitoring processes.
Investing (Asset manager)	No, we don't assess this	From a strategic standpoint, we have prioritized laying out the foundational work for identifying risks and opportunities related to climate change with our lending portfolio. As one of our next steps, we plan to develop and disclose an organizational definition of "sustainable finance," with the goal of using this definition to develop a reporting methodology and ultimately set a sustainable finance target. We anticipate this process will entail gaining a deeper understanding of the climate-related risks associated with our investments and asset management.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	Bank lending and investing constitute the vast majority of our business and operations, thus constituting the focus of our climate-related activities.

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Majority of the portfolio	Qualitative	In our 2020 scenario analysis exercise, we assessed the forward-looking impact of transition risks on our Commercial & Industrial lending portfolio. We assessed 100% of this portfolio, which consists of $41.3 billion in outstanding loan balances and $73.3 million in total commitments. This exercise specifically used a hypothetical Disorderly scenario, which we deemed the most relevant for this type of assessment. In a Disorderly scenario, a sudden and unanticipated response is disruptive but sufficient enough to meet climate goals. Actions are not only taken late but are limited by available technologies, necessitating sharper emissions reduction (over 40 Gt of CO2e emissions/year in 2030, to 0 Gt in 2050) to limit warming to below 2 degrees Celsius. In the analysis, we found that the two sectors most exposed to a Disorderly transition scenario are Energy ($4.0 billion in total commitments) and Transportation & Warehousing ($4.1 billion in total commitments), which cumulatively represent 11% of the Commercial & Industrial loan commitments. The scenario analysis results indicated an expectation of negative risk rating migration in more than 25% of each such portfolio sector. Under the scenario analysis process, the remaining 15 sectors of our portfolio carried either no or a moderate expectation of negative risk rating migration as a result of the transition risks tied to climate change. Our 2020 scenario analysis also examined the impact of physical risks on our real estate lending portfolios. These portfolios were analyzed using the Disorderly scenario described above, as well as the Orderly scenario (i.e., begin reducing emissions now to meet climate goals in a measured way, with a steady decrease of 40 Gt CO2e/year in 2020 to 0 Gt/year in 2050) and the Hot House World scenario (i.e., a continued increase in emissions with little to no aversion of physical risk, with 40 Gt CO2e emissions/year in 2020 rising to 60 Gt/year in 2070). The analysis findings for the Orderly and Disorderly scenarios indicated no material impact on the physical risks related to the real estate portfolios. However, in the Hot House World scenario, with a two-degree long-term rise in sea levels, we found that 11% of our consumer and commercial real estate portfolios could be impacted to various degrees. We are in the process of developing new approaches to quantitatively measuring climate risks in our loan portfolios, including enhancing our client-level borrower assessment to embed additional environmental factors into our underwriting and monitoring processes.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, we don't assess this	<Not Applicable>	We have prioritized assessing the impact of climate-related risks and opportunities in our lending portfolio on our business and operations.
Investing (Asset manager)	No, we don't assess this	<Not Applicable>	We have prioritized assessing climate-related risks and opportunities in our investment portfolio as the areas of analysis providing the greatest impact on our business and operations.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	Bank lending and investing constitute the vast majority of our business and operations, thus constituting the focus of our climate-related activities.

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, we don't assess this	<Not Applicable>	We have prioritized climate-related risks and opportunities in our lending portfolio as the areas of analysis providing the greatest impact on our business and operations.
Investing (Asset manager)	No, we don't assess this	<Not Applicable>	We have prioritized climate-related risks and opportunities in our investment portfolio as the areas of analysis providing the greatest impact on our business and operations.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	Bank lending and investing constitute the vast majority of our business and operations, thus constituting the focus of our climate-related activities.

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	Yes, for some	Our credit risk management approach incorporates a number of practices that require climate-related information from third parties. Broadly, our "Credit Moratoriums" Policy identifies industries, products, and transaction types that we have identified to present increased risk, including environmental risks. For applicable clients tied to these categories due to environmental risks, we would require climate-related information that would be subject to enhanced due diligence, as well as elevated approval and exception tracking requirements. Beyond these more general requirements, we also have related practices in specific segments. We maintain a dedicated risk industry team, the Energy and Natural Resources Group, that underwrites exposure to energy and natural resources clients. This includes expanded underwriting requirements and elevated approvals from senior credit executives. We also perform additional due diligence on energy sector loans for which real estate serves as collateral, including those with an indirect link to the energy sector. These more specific practices may also necessitate the performance of additional diligence or assessment that would require gathering climate-related information.
Investing (Asset manager)	Yes, for some	The Regions Investment Management team within Asset Management added two new offerings focused on environmental, social, and governance to clients in 2020, which necessitated the gathering of climate-related information. Asset Management also developed a firm-wide socially responsible investing philosophy, requiring climate-related information gathering to execute. In 2021, they plan to launch a model portfolio made up of managers deemed to invest in a responsible or sustainable manner.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	Bank lending and investing constitute the majority of our business and operations, thus serving as the focus of our climate-related activities.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

Climate risk type mapped to traditional financial services industry risk classification
Operational risk

Company-specific description
A significant portion of our operations is located in the areas bordering the Gulf of Mexico and the Atlantic Ocean, regions that are susceptible to hurricanes, or in areas of the Southeastern U.S. that are susceptible to tornadoes and other severe weather events. In particular, in recent years, a number of severe hurricanes impacted areas in our footprint. Many areas in the Southeastern U.S. have also experienced severe droughts and floods in recent years. Any of these, or any other severe weather event, could cause disruption to our operations and could have a material adverse effect on our overall business, results of operations or financial condition. We have taken certain preemptive measures that we believe will mitigate this inherent risk, such as maintaining insurance that includes coverage for resultant losses and expenses; however, such measures cannot prevent the disruption that a severe weather event could cause to the markets that we serve and any resulting adverse impact on our customers, such as hindering our borrowers' ability to timely repay their loans and diminishing the value of any collateral we hold. Climate change may worsen the frequency and severity of future extreme weather-related events that could cause disruption to our business and operations.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
0

Potential financial impact figure – maximum (currency)
22000000

Explanation of financial impact figure
Regions' weather-related operational losses totaled $22,000,000 between 2013 and 2020, with an average of 9 events per year and $3,000,000 in operational losses during that same period. The largest portion of operational losses related to severe weather events, 69%, was tied to hurricanes. Rains and flooding were responsible for 25% of losses. Since these figures cover a 7-year period, we would classify these as long-term exposures under the time horizons implemented in our scenario analysis. Scenario analysis indicates a significant increase in long-term, acute physical risks under a Hot House World scenario; however, the risk of critical facilities exposed to sea level rise exposure does not suggest material business continuity concerns in the medium term (2-5 years).

Cost of response to risk
0

Description of response and explanation of cost calculation
Because our scenario analysis was performed on a qualitative basis, we did not ascertain the quantitative cost of responding to this risk.

Comment
Our existing scenario analysis process was qualitative in nature, though we did begin the process with historical quantitative inputs as described above. We plan on pursuing quantitative scenario analysis in the near-term, whereupon we plan to be able to provide quantitative metrics related to this risk.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification
Credit risk

Company-specific description
Our scenario analysis included a forward-looking exercise to assess the impact of climate-related transition risks on our Commercial & Industrial lending portfolio. We focused on a hypothetical Disorderly scenario, in which a sudden and unanticipated response is disruptive but sufficient enough to meet climate goals. This scenario assumes negligible carbon dioxide removal technology availability due to challenges in achieving the requisite investment and deployment of these technologies. We believe this type of scenario would be most relevant in assessing transition risks in our Commercial & Industrial portfolio. Our Commercial & Industrial portfolio includes 17 sectors, including agriculture, energy, healthcare, manufacturing, utilities, and transportation & warehousing. We excluded real estate from this analysis. This coverage spanned $41.3 billion in outstanding loan balances and $73.3 billion in total commitments. Applying the Disorderly scenario, we evaluated each sector's sensitivity to

transition risk using three categories: No expectation of negative risk rating migration; moderate expectation of negative risk rating migration; and expectation of negative risk rating migration in more than 25% of the portfolio sector.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
2100000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The assessment of our C&I portfolio was qualitative in nature, thus precluding a quantitative impact finding. However, an analysis of our qualitative findings does allow for extrapolation into a quantitative figure: we concluded that the two sectors most exposed to transition risk in a Disorderly scenario were Energy and Transportation & Warehousing, which aggregately constitute 11.2% of the overall C&I portfolio's loan commitments. Energy constitutes $4.0 billion in total commitments and Transportation & Warehousing constitutes $4.1 billion in total commitments. In the hypothetical scenario, we determined that the risk rating would worsen for over 25% of each sector, or approximately $2.1 billion in aggregate commitments. We also determined that the remainder of the sectors would experience no more than a moderate impact in the medium term as a result of exposure to transition risk.

Cost of response to risk
0

Description of response and explanation of cost calculation
The assessment of our C&I portfolio was qualitative in nature, thus precluding a quantitative assessment of our risk response. However, our assessment did result in several qualitative determinations. Our scenario analysis results indicated a need to continue engaging with customers to support them in the transition to a lower-carbon economy; develop relationship-level assessments, beginning with industries more vulnerable to transition risks; focus on identifying opportunities that would result in better performance under hypothetical Orderly and Disorderly scenarios; and continue enhancing data capture and methodologies to quantify impacts of transition risks, namely in probability of default and loss in light of default factors.

Comment
One of the key takeaways identified in our analysis of this risk is the need to continue exploring methodologies that would enable us to more fully respond to this question in the future.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Chronic physical	Rising sea levels

Primary potential financial impact
Devaluation of collateral and potential for stranded, illiquid assets

Climate risk type mapped to traditional financial services industry risk classification
Credit risk

Company-specific description
As a lender, we are exposed to the risk that our customers will be unable to repay their loans and leases according to their terms and that any collateral securing the payment of their loans and leases may not be sufficient to assure repayment. We make various assumptions and judgments about the collectability of our loan portfolio to determine an appropriate allowance for credit losses based on available information, including the quality of the loan portfolio, the value of the underlying collateral and the level of non-accrual loans, taking into account relevant information about past events, current conditions and reasonable and supportable forecasts of future economic conditions that affect the collectability of our loan portfolio. Although our management will establish an allowance for credit losses it believes is appropriate to absorb expected credit losses over the life of loans in our loan portfolio, this allowance may not be adequate. A significant portion of our operations is located in the areas bordering the Gulf of Mexico and the Atlantic Ocean, regions that are susceptible to hurricanes, or in areas of the Southeastern U.S. that are susceptible to tornadoes and other severe weather events. While any such single event could have a material adverse effect on our overall business, climate change could result in longer-term shifts in weather patterns, such as increased temperatures and sea-level rise, that can have a more gradual adverse impact on our customers, such as diminishing the value of any collateral used to secure the extensions of credit we have provided to them. To better understand how this risk affects our business, we performed a scenario analysis to assess the impact of physical risks on our real estate lending portfolios. Specifically, we performed a qualitative assessment of the sensitivity of our consumer and commercial real estate portfolios to physical risks. The assessment utilized Orderly, Disorderly, and Hot House World scenarios: Orderly, where emissions are reduced in a collective and measured way; Disorderly, where sudden and unanticipated transition is implemented in a manner that is disruptive, but sufficient to meet climate goals; and Hot House World, where the current trajectory is maintained with little to no attempt to avert physical risks and the resultant temperature rise exceeds 3 degrees Celsius.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The assessment of our real estate portfolios was qualitative in nature, thus precluding the provision of any quantitative financial impact. However, the scenario analysis exercise did indicate that neither the Orderly nor Disorderly scenarios would be expected to have a material impact on the physical risks related to our real estate portfolios. The Hot House World scenario, envisioning a long-term rise of two feet in sea level, did indicate an impact to a portion of our real estate portfolios. Namely, we identified approximately 11% of our consumer and commercial real estate portfolios that could be impacted to varying degrees - from a minor impact, to a significant impact. Because these impacts could begin to manifest well beyond the tail end of our long-term horizon, they are subject to material inherent uncertainty.

Cost of response to risk
0

Description of response and explanation of cost calculation
The assessment of our real estate portfolios was qualitative in nature, thus precluding a quantitative assessment of our risk response. However, our assessment did result in several qualitative determinations. Our scenario analysis results indicated a need to explore emerging risk models to assess the impact of climate change risk on probability of default and loss given default factors in the real estate portfolios; continue enhancing geospatial data and analytics, including more precise impact analysis capabilities; monitor mortgage insurance premiums and availability; and explore mitigation strategies.

Comment
One of the key takeaways identified in our analysis of this risk is the need to continue exploring methodologies that would enable us to more fully respond to this question in the future.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Ability to diversify business activities

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
Regions supports the development and implementation of clean energy solutions through our Solar Tax Equity Finance Team and our Energy and Natural Resources Group (ENRG). The Regions Solar Tax Equity Finance Team provides lease financing for utility scale and commercial photovoltaic (PV) solar projects across the U.S. Since completing its first transaction in 2016, the Team has funded more than 50 different projects, in excess of $1 billion. In 2020, the Solar Tax Equity Finance Team provided $313.5 million in funding for PV solar projects located across the country, including the largest project in the Team's history. The capacity collectively generated by these projects exceeds 268 megawatts. ENRG specializes in tailored financing products and services for solar/renewable energy projects. Offerings include construction financing, project financing, merger and acquisition advisory, and capital markets services for the benefit of power and renewables companies. In 2020, ENRG committed or closed nearly $150 million in utility-scale solar construction financing, $26 million in solar acquisition financing, and $75 million in offshore wind vessel financing, and served as a co-manager in a $1 billion senior notes offering supporting clean water/wastewater infrastructure.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
575000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
This financial impact figure is based on the amount of renewable energy financing we provided to our customers in 2020. This does not include over $140 million in commitments to mass transit and urban rail transit systems, which reduce commuter emissions, by our Transportation and Equipment Finance groups. It also does not incorporate a $100 million commitment toward a corporate client's sustainability-linked credit facility, for which the facility's pricing has been linked to the client's use of renewable energy and hiring practices.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
We do not currently disclose these opportunity costs.

Comment
We do not currently disclose these opportunity costs.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Regions' Asset Management business group provides individuals and institutions with products and services that help them manage and grow their assets. The team is working to meet growing investor demands for ESG investing and helping Regions expand the solutions we can offer to grow relationships and meet client needs. To that end, the Regions Investment Management team within Asset Management added two new ESG-focused offerings to clients in 2020. Also last year, Asset Management experienced 97 percent growth year-over-year in assets under management for the four externally managed ESG-focused products we began offering in 2018; the previous year's year-over-year growth totaled 437%. These products include two equity products and two fixed-income products. This year, Asset Management also developed a firm-wide ESG/socially responsible investing philosophy. This targeted strategic focus on environmentally conscious investing decisioning provides opportunities to expand our products and services to respond to the increased demand from customers we have already experienced over the past 2 years.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
While we monitor the financial impact of this evolving investment approach, we do not currently disclose it externally.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
In 2021, our Asset Management group plans to launch a model portfolio composed of managers tasked with investing in a responsible or sustainable manner, demonstrating efforts already underway to realize the opportunities presented by growing customer interest in these products.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Resilience

Primary climate-related opportunity driver
New products and services related to ensuring resiliency

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Along with lowering our energy and emissions impact on the environment, our operations have also enabled us to decrease our reliance on paper use. Over the past year, we have reduced internal copy paper use by 32 percent. We also continued to encourage customers to shift to online and mobile banking, and to receive their account documentation electronically. Thanks in part to our customers, we have saved 116 million sheets of paper this year as a result of customer accounts moving to electronic statements. Our digital innovation and expansion were integral in facilitating the transition away from paper while also maintaining multiple channels for us to provide safe and secure customer service. In 2020, Regions launched more than 25 enhancements to our mobile application, which allow us to deliver innovative features and functionalities that our customers want. The redesigned app's improvements resulted in a significant increase in mobile user satisfaction ratings and recognition from J.D. Power. Ultimately, as of year-end 2020, our digital users increased 5.7 percent from 2019, with 2.9 million active digital customers and more than 1.1 billion digital logins in 2020. This shift has been further enabled by other digital acceleration efforts. For example, we undertook several platform modernization initiatives in 2020, including our deposit and lending core systems, new fulfillment and servicing platforms for real estate loans, and a new wealth management platform. We expanded customer interaction points through virtual teller machines, video banking, secure messaging, and a collections self-service portal. We also expanded our eSignature program, completing 2.3 million transactions using eSignature in 2020. eSignature allows us to obtain customers' signatures digitally when they open an account, generally accompanied by the option for those documents to be delivered to the customer electronically. In 2020, we expanded our eSign functionality to 18 new groups and enabled an additional 139 forms. These initiatives result not only in demonstrated customer satisfaction, but in operational resilience in the face of climate change; they increase efficiencies and conserve our resources while also facilitating customer access to our products and services without in-person interaction. To that end, in 2020 we were able to sustain over 99% system availability despite the ongoing COVID-19 pandemic.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The multifaceted nature of these improvements and their widespread nature make quantifying the potential financial impact of these opportunities challenging. However, investments over the past 4 years to modernize the customer experience and transform our technology operating model allow us to prioritize system modernization in new technology spending.

Cost to realize opportunity
262500000

Strategy to realize opportunity and explanation of cost calculation
In 2020, we allocated $625 million toward technology spend, reserving 10-11% of revenue for that purpose. Forty-two percent of that spending, or $262.5 million, was directed to new technology. This portion of funding will be used to execute the deposit and lending modernization initiatives described above, with the expectation that the overall initiative will extend on a staggered basis through 2027 (6 years, or medium-term).

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	<Not Applicable>	We have not specifically explored the potential to develop and publish a dedicated transition plan.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative, but we plan to add quantitative in the next two years

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS RCP 2.6 RCP 6 REMIND MESSAGE-GLOBIOM Other, please specify (Network for Greening the Financial System Climate Scenarios)	Regions assesses the possible impacts to the Company using three climate scenarios from the Central Banks and Supervisors' Network for Greening the Financial System (NGFS). These scenarios depict different transition paths representing various policy actions and timeframes over different time horizons. These scenario analyses help us hypothesize the potential impacts to our lines of business and operations and to consider how existing processes and metrics could be enhanced to identify opportunities for more effective incorporation of climate risk considerations into our business practices. For the exercise, we generally consider three time horizons: Short term (less than 2 years), medium term (2-5 years), and long term (5-30 years). These time horizons assist us in considering the path of manifestation for different types of risk. The first climate scenario we utilize is the Orderly scenario, which envisions early, ambitious action to a net-zero CO2e emissions economy. This assumes climate policies are introduced early and become gradually more stringent, achieving net zero carbon emissions before 2070 and exhibiting relatively low physical and transition risks. However, the transition requires a significant amount of investment in green electricity and storage, energy efficiency, carbon dioxide removal, and carbon capture and storage. The representative scenario indicates immediate shift to 2 degrees Celsius, with carbon dioxide removal technologies available (generated using the GCAM integrated assessment model). The second climate scenario we utilize is the Disorderly scenario, which hypothesizes action that is late, disruptive, sudden, and/or unanticipated. This assumes climate policies are not introduced until 2030, with actions taken relatively late and limited by technologies available; as a result, transition risk is higher. The representative scenario portrays a delayed shift to 2 degrees Celsius, with limited carbon dioxide removal technologies available (generated using the REMIND-MAgPIE integrated assessment model). The third climate scenario we utilize is the Hot House World scenario, in which limited action leads to continually increasing emissions and resultantly strong increased exposure to physical risks. Currently implemented policies are the only ones preserved, with emissions growing until 2080; as a result, global warming exceeds 3 degrees Celsius and physical risks like irreversible rise in sea levels are severe. This scenario was generated using the MESSAGEix-GLOBIOM integrated assessment model. For example, for broader strategic planning, we wanted to better understand the climate-related operational risks we face. To do so, we opted to use the scenario analysis framework described above to assess the impact of physical risks on our business operations. For this analysis, we developed a geospatial data and analytics tool to monitor sea level rise impacts, including affected branches and facilities, under the 3 scenarios. We considered the NGFS's global mean temperature rise, which was based on the MAGICC6 model for Representative Concentration Pathways 2.6 and 6.0. In connection with this analysis, we identified 203 operational loss events between 2013 and 2020, resulting in a total of $22 million in weather-related operational losses. These operational loss events included 63 weather-related events, over 69% of which were hurricanes, 25% were heavy rain/flooding, and 5% were winds/tornadoes. In light of these data inputs we concluded that the chronic physical risks posed to our critical facilities by sea level rise does not suggest material business continuity concerns in the medium term. We also concluded that, going forward, we should continue to enhance our geospatial data and analytics, including more precise impact analysis capabilities, as well as monitoring insurance premiums connected to climate-related physical impacts. Please see also C2.2.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	We will continue to highlight environmental opportunities in the enterprise-wide strategic planning process to support core competencies. This year, we will also be integrating templates at the business level to promote more targeted environmental strategic planning. We utilize climate-related opportunities through our sustainable lending practices. We support the development and implementation of clean energy solutions through our Solar Tax Equity Finance Team, which provides lease financing for utility-scale and commercial photovoltaic solar projects, and our Energy and Natural Resources Group (ENRG), which specializes in tailored financing products and services for solar and renewable energy projects. In 2020, these two groups provided over $575 million in renewable energy financing. Conversely, we have also implemented policies and initiatives to strategically mitigate climate-related risks. We have instituted a credit policy that identifies industries, products, and transaction types that present increased risk, including environmental risk, which we address by instituting a limited credit appetite and elevated approval and exception tracking requirements. For example, we have established lending parameters around coal mining and coal-related activities to mitigate climate-related risks associated with these industries; these include not lending to companies that use mountaintop removal mining practices to extract more than 5% of their total annual tonnage. Another strategic initiative aimed at mitigating climate-related risks is our Business Resilience Program. The program provides for the continuation of essential business operations in the event of a disruption precipitated by a severe weather event, thereby providing a means to mitigate the impact of climate-related physical risks on our facilities and operations.
Supply chain and/or value chain	Yes	We acknowledge the strategic value to our broader risk management efforts that we can derive by assessing our indirect impacts on the environment. To explore this impact, we plan to initiate the process of evaluating and measuring our Scope 3 emissions specific to our portfolio. We will begin this process by evaluating the variety of methodologies available for measuring these emissions, including the methodologies developed by the Partnership for Carbon Accounting Financials. Upon determining which methodologies are best suited for our portfolios and business, we will implement it with the medium-term goal of disclosing these emissions and building on them to identify climate-related risks and opportunities.
Investment in R&D	Yes	Our digital innovation and expansion over the past year have been integral in facilitating the transition away from paper while also maintaining multiple channels for us to provide safe and secure customer service. We encouraged customers to shift to online and mobile banking, simultaneously facilitating this shift by launching over 25 enhancements to our mobile banking application. We further enabled customers to bank more remotely by expanding our eSignature functionality to 18 new groups and 139 additional forms. As a result, we saved 116 million sheets of paper in 2020. These technological innovations also resulted in a 7% increase in active digital banking users, 9% increase in active mobile banking users, and nearly 24,000 additional accounts opened digitally year-over-year. Overall, these changes were facilitated by $625 million allocated toward technology spending, with 42% of that amount devoted to new technology.
Operations	Yes	We deployed and continue to expand remote and automatic controls for the lighting and HVAC systems in our branch locations. These upgrades enhance our energy efficiency, decrease our operational emissions, and decrease costs associated with the need for physical manipulation of these systems. They also allow us to enhance the physical safety of our branch locations by ensuring appropriate lighting in and around our facilities according to the time of day.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital expenditures	By carefully monitoring the results of our energy efficiency programs, we have been able to document not only their environmental and resilience benefits, but also the significant cost benefits that provide compelling internal rates of return. We have also been able to illustrate the synergistic effects of our energy efficiency programs on resilience and physical security. For example, by converting our outdoor lighting to LED, we have improved security and reliability of lighting while also reducing energy and maintenance costs. See also C4.3c.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, we have exclusion policies for industries and/or activities exposed or contributing to climate-related risks

C-FS3.6b

(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
Coal	Bank lending	New business/investment for new projects	Regions does not lend to companies that use mountaintop removal mining practices to extract more than 5% of their total annual tonnage. Extensions of credit to coal companies require enhanced due diligence with respect to environmental and legal compliance, as well as approval from Credit Officers within the approval chain for the Energy and Natural Resources Group. Commitments to coal companies are reported on a quarterly basis to senior management.
Oil & gas	Bank lending	New business/investment for new projects	Regions undertakes enhanced due diligence on energy sector loans for which real estate serves as collateral, including those clients with an indirect link to the energy sector (e.g., oil pipeline manufacturers).

C-FS3.7

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

Yes, for some assets managed externally

C-FS3.7a

(C-FS3.7a) How are climate-related issues factored into your external asset manager selection process?

	Process for factoring climate-related issues into external asset management selection	Comment
Row 1	Preference for asset managers with an offering of low-carbon products	In 2021, our Asset Management group plans to launch a model portfolio made up of managers who are deemed to invest in a responsible or sustainable manner.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2018

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Base year
2015

Covered emissions in base year (metric tons CO2e)
136039

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2023

Targeted reduction from base year (%)
30

Covered emissions in target year (metric tons CO2e) [auto-calculated]
95227.3

Covered emissions in reporting year (metric tons CO2e)
79880

% of target achieved [auto-calculated]
137.605147543474

Target status in reporting year
Achieved

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain (including target coverage)
This target covers scope 1 and scope 2 emissions sources where Regions has operational control. This includes electricity and natural gas that are under direct control and ownership of Regions, as well as other significant scope 1 sources that are under ownership of Regions such as fossil fuel powered generators, corporate jet, and fleet fuel consumption.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	130	962
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
665

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
167000

Investment required (unit currency – as specified in C0.4)
1600000

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment
Interior and exterior LED lighting upgrades across the portfolio.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
222

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
73000

Investment required (unit currency – as specified in C0.4)
730000

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment
Installation of web-based HVAC controls across the retail portfolio to improve operations and reduce O&M costs.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)
75

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
17000

Investment required (unit currency – as specified in C0.4)
360000

Payback period
21-25 years

Estimated lifetime of the initiative
21-30 years

Comment
Rooftop solar installations.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	In order to reach our 2023 greenhouse gas emissions and energy use reduction goals, we developed a number of new initiatives and escalated existing initiatives. These initiatives necessitated initial investments to realize any longer-term benefits. Initiatives identified for budgetary allocation included energy-efficient LED lighting and automatic controls; HVAC and mechanical efficiency upgrades and improvements; building intelligence and remote controls; high-performance building envelope upgrades; and renewable energy utilization. Several of these initiatives are being carried forward into our 2020 budget to accomplish our new 2030 greenhouse gas reduction goal, including enhancing and adding building automation systems; upgrading to more energy-efficient equipment; and building or renovating sustainable branches. See also C3.4.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Group of products

Description of product/Group of products
The Regions Solar Tax Equity Finance Team provides lease financing for utility scale and commercial PV solar projects across the U.S. Since completing its first transaction in 2016, the Team has funded more than 50 different projects, in excess of $1 billion. In 2020, the Solar Tax Equity Finance Team provided $313.5 million in funding for PV solar projects located across the country, including the largest project in the Team's history. The capacity collectively generated by these projects exceeds 268 megawatts.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (Custom Methodology)

% revenue from low carbon product(s) in the reporting year
0

% of total portfolio value
0

Asset classes/ product types
Please select

Comment
While we do measure the renewable energy financing enabled by these products, we do not extrapolate our calculations as compared to total equipment finance revenue or portfolio value.

Level of aggregation
Group of products

Description of product/Group of products
ENRG specializes in tailored financing products and services for solar/renewable energy projects. Offerings include construction financing, project financing, merger and acquisition advisory, and capital markets services for the benefit of power and renewables companies. In 2020, ENRG committed or closed nearly $150 million in utility-scale solar construction financing, $26 million in solar acquisition financing, and $75 million in offshore wind vessel financing, and served as a co-manager in a $1 billion senior notes offering supporting clean water/wastewater infrastructure.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (Custom Methodology)

% revenue from low carbon product(s) in the reporting year
0

% of total portfolio value
0

Asset classes/ product types
Please select

Comment
While we do measure the renewable energy financing enabled by this segment, we do not extrapolate these calculations based on total portfolio value or revenue as requested here.

Level of aggregation
Product

Description of product/Group of products
Regions' Transportation Group, along with our Equipment Finance Group, have over $140 million in commitments to mass transit and urban rail transit systems helping in the reduction of greenhouse gas emissions from commuter vehicles.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (Custom Methodology)

% revenue from low carbon product(s) in the reporting year
0

% of total portfolio value
0

Asset classes/ product types
Please select

Comment
While we do measure the renewable energy financing enabled by this segment, we do not extrapolate these calculations based on total portfolio value or revenue as requested here.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
6224

Comment
These emissions are based on natural gas used for space heating, domestic hot water, and food service; fleet fuels; and fuel used for emergency power generation.

Scope 2 (location-based)

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
129815

Comment
This value includes an estimated 1.0145% to account for unmetered outdoor lighting. All other Scope 2 emissions are from metered electricity.

Scope 2 (market-based)

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
129815

Comment
Market based emissions are equal to location-based emissions for this time period.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
4274

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Scope 1 emissions sources are utility distributed natural gas, propane, fleet fuel use, and back-up diesel generator use.

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Regions bank market-based emissions is calculated primarily based on the REC's retired on our behalf due to our participation in green tariff utility programs in 2020.

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
75606

Scope 2, market-based (if applicable)
72563

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Regions bank market-based emissions is calculated primarily based on the REC's retired on our behalf due to our participation in green tariff utility programs in 2020.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial services organization our Scope 3 reporting efforts are focused on financed emissions and we do not consider emissions from purchased goods and services to have a material impact to our emissions inventory.

Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial services organization our Scope 3 reporting efforts are focused on financed emissions and we do not consider emissions from capital goods to have a material impact to our emissions inventory.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial services organization our Scope 3 reporting efforts are focused on financed emissions and we do not consider emissions from fuel and energy related activities to have a material impact to our emissions inventory.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial services organization our Scope 3 reporting efforts are focused on financed emissions and we do not consider emissions from upstream transportation and distribution to have a material impact to our emissions inventory.

Waste generated in operations

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial services organization our Scope 3 reporting efforts are focused on financed emissions and we do not consider emissions from waste generation in operations to have a material impact to our emissions inventory.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2440

Emissions calculation methodology
Emissions from business travel was calculated based on carbon emissions reporting from our travel vendor for air travel. Emissions from reimbursed personal vehicle use is included in this value and is based on the mileage driven. Lastly, emissions from rental car use are included and is based on mileage driven.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Sources of material business travel emissions include air travel, rental car usage, and reimbursed personal vehicle use.

Employee commuting

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial services organization our Scope 3 reporting efforts are focused on financed emissions and we do not consider emissions from employee commuting to have a material impact to our emissions inventory.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial services organization our Scope 3 reporting efforts are focused on financed emissions and we do not consider emissions from upstream leased assets to have a material impact to our emissions inventory.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial services organization our Scope 3 reporting efforts are focused on financed emissions and we do not consider emissions from downstream transportation and distribution to have a material impact to our emissions inventory.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Regions does not sell or manufacture physical products, therefore we do not consider scope 3 emissions related to processing of sold products material to our emissions inventory. Data related to our financed emissions can be found in section C-FS14.1.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Regions does not sell or manufacture physical products, therefore we do not consider scope 3 emissions related to use of sold products material to our emissions inventory. Data related to our financed emissions can be found in section C-FS14.1.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Regions does not sell or manufacture physical products, therefore we do not consider scope 3 emissions related to end of life treatment of sold products material to our emissions inventory. Data related to our financed emissions can be found in section C-FS14.1.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Regions has an insignificant amount of property that is sub-leased to a third party, therefore emissions from Downstream leased assets are not considered material to our emissions inventory.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Regions does not participate in franchise activity.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No other material sources of Upstream emissions.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No other material sources of downstream emissions.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
12.7

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
79880

Metric denominator
unit total revenue

Metric denominator: Unit total
6287

Scope 2 figure used
Location-based

% change from previous year
24

Direction of change
Decreased

Reason for change
Revenue increased 7%, while emissions decreased by 23% due partially to emissions reduction activity articulated in C4.3b. Revenue units are million dollars.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	3089	Decreased	3.14	We had an increase in self-generated on-site renewable energy of 119 MWh in 2020 when compared to 2019, which equates to 46 metric tons CO2e. We also had 7759 MWh worth of REC's retired on our behalf from our participation in utility green tariff programs, which equates to 3,043 metric tons CO2e. Our previous year's gross scope 1 and scope 2 emissions was 98,353 metric tons CO2e. The geographic-specific eGRID2019 emissions factor was used to convert the MWh into metric tons CO2e.
Other emissions reduction activities	962	Decreased	0.98	This is based on the energy efficiency improvements that have been made across the portfolio in 2020. These projects are detailed in C4.3b. Our previous year's gross scope 1 and scope 2 emissions was 98,353 metric tons CO2e. The geographic-specific eGRID2019 emissions factor was used to convert the MWh into metric tons CO2e.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	16082	16082
Consumption of purchased or acquired electricity	<Not Applicable>	0	174076	174076
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	119	<Not Applicable>	119
Total energy consumption	<Not Applicable>	119	190157	190276

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Regions Bank 2020 GHG Emissions Verification Declaration.pdf

Page/ section reference
page 1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Regions Bank 2020 GHG Emissions Verification Declaration.pdf

Page/ section reference
page 1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Regions Bank 2020 GHG Emissions Verification Declaration.pdf

Page/ section reference
Page 1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Regions Bank 2020 GHG Emissions Verification Declaration.pdf

Page/section reference
Page 1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit purchase

Project type
Solar

Project identification
Renewable Energy Credits (REC) from a Solar development as part of our participation in utility green tariff programs.

Verified to which standard
Other, please specify (North American Renewables Registry Certificate)

Number of credits (metric tonnes CO2e)
3043

Number of credits (metric tonnes CO2e): Risk adjusted volume
3043

Credits cancelled
Not relevant

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Compliance & onboarding

Details of engagement
Included climate change in supplier selection / management mechanism

% of suppliers by number
85

% total procurement spend (direct and indirect)
85

% of supplier-related Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
Regions recognizes the environmental challenges that face our planet and we believe that doing our part to address them embodies our value of doing what is right. Our Environmental Sustainability Policy Statement demonstrates our commitment to operating responsibly, and we expect our suppliers to support Regions' sustainability efforts through the services they offer, as well as through their own operations. As such Regions has provisions in both our Supplier Code of Conduct and our Master Agreements that vendors and their subcontractors work to minimize their use of natural resources and other negative impacts their operations have on the environment.

Impact of engagement, including measures of success
Regions expects suppliers to operate in compliance with all applicable environmental laws and work to minimize their use of natural resources and any negative impact their operations have on the environment. Accordingly, suppliers should endeavor to measure and reduce their energy and water use, waste generation, greenhouse gas emissions, environmental contamination, and other environmental impacts as applicable to their operations. Regions may also request that suppliers engage with Regions on their sustainability programs and performance. Additionally, all materials used by suppliers must comply with applicable rules, laws, and regulations regarding the prohibition or restriction of specific substances to ensure safe and responsible handling, storage, movement, reuse, recycling, and disposal.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Education/information sharing

Details of engagement
Other, please specify (Regions provides educational materials and resources through our Insights web page designed to support customers in each step of their journey including environmental sustainability.)

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
All of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement
Regions provides Customer Insights materials which may be accessed from our Regions.com web page. Our goal in providing this information is to help both commercial and consumer customers develop sound financial management strategies. As a part of this program Regions has materials available about sustainability, green business tips and energy-efficiency in the home. These sustainability materials focus on how customers can improve their financial health while also making environmentally friendly choices. As an example, one such resource, entitled "Give Your Company a ‘Green’ Makeover: Environmentally-Friendly Business Practices " provides guidance on environmentally sustainable changes a business can make in their energy use, waste and procurement processes.

Impact of engagement, including measures of success
Regions views the Customer Insights program as an opportunity to stand behind our core values of doing what is right and putting people first. By providing customers with these informational sources we are encouraging them to improve not only their own financial well being, but our community as well.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Starting in 2020, an integral component of our climate-related engagement strategy has been providing public disclosures aligned with the TCFD Recommendations. We began integrating the Recommendations into our disclosures in 2020 by adding a new section to our 2019 Annual Review & ESG Report where the climate-related information covered in the rest of the report was reorganized to align with the Recommendations' 4 core elements. We explicitly referenced this disclosure, and our commitment to release a full TCFD Report, in our direct engagement with shareholders and other stakeholders throughout the 2020 engagement season and 2021 proxy season. We also highlighted the development when socializing the report with our Board's NCG Committee prior to publication, as well as in the public news release notifying our stakeholders that the report had been published.

Building on that momentum, we developed and released a full, stand-alone TCFD Report in June 2021. This new disclosure, which we have publicly committed to releasing each year going forward, is meant to provide our partners across the value chain with new levels of insight into the climate-related risks and opportunities we have identified with relation to our business and operations. The report concludes by identifying several key initiatives we plan to undertake in the near-term to deepen our understanding of these risks and opportunities, which we hope and plan to serve as talking points in upcoming engagements with value chain partners. Before the report was released, we disseminated it to internal stakeholders in senior management and on our Board's NCG Committee. In order to promote awareness of the report across our value chain, we issued a news release on BusinessWire publicly announcing the report's publication, indicating its coverage, and linking to it directly. The report's release was also mentioned in the 7/7/21 digital edition of the American Banker, in an article on the SEC's climate disclosure rules. By communicating the report's availability to the general public, we hope to signal our interest in engaging with other members of our value chain on climate-related risks and opportunities; it also indicates to certain groups within our value chain how we plan to partner with them to continue our progress.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our climate change mitigation strategies include public policy considerations, which are carried out through direct engagement. Our Governmental Affairs team is engaged with policy makers, peer banks, and industry trade associations to ensure potential climate-related policy changes are vetted and tailored to the needs of the financial industry and our clients and customers, where appropriate. Management also provides an annual report to the Board of Directors regarding corporate contributions and non-deductible portions of trade association dues, which enables the Board to consider these contributions in light of the enterprise-wide strategic plan, including relevant climate change-related strategy.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
Regions Financial - 2020 TCFD Report.pdf

Page/Section reference
4-24

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
Regions published our first TCFD Report utilizing 2020 data.

Publication
In voluntary sustainability report

Status
Underway – previous year attached

Attach the document
Regions Financial - 2019 Annual Review & ESG Report.pdf

Page/Section reference
"Environment" section (pages 77-92)

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
Our upcoming 2020 Annual Review & ESG Report will provide updated disclosure on these content elements, as well as incorporating new disclosures from the 2020 TCFD Report.

Publication
In other regulatory filings

Status
Complete

Attach the document
Regions Financial - 2020 Annual Report on Form 10-K.pdf

Page/Section reference
Forward-looking statement regarding climate change: page 8. Risk factor identifying both transition and physical risks to our business, results of operations, or financial condition by climate change: pages 22-23.

Content elements
Risks & opportunities

Comment
These disclosures are part of our annual audited financial statements filed with the Securities and Exchange Commission.

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Please select	
Industry initiative	Ceres International Corporate Governance Network (ICGN)	Since the first quarter of 2019, we have been an active member of the Ceres Company Network. In 2020, we leveraged Ceres' expertise to gain insights into environmental best practices, namely through input on work by a cross-collaborative group focused on environmental and social risk management. We are also involved with the ICGN, which enables stakeholder engagement.
Commitment	Please select	

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD	In our 2020 scenario analysis exercise, we assessed the forward-looking impact of transition risks on our Commercial & Industrial lending portfolio. We assessed 100% of this portfolio, which consists of $41.3 billion in outstanding loan balances and $73.3 million in total commitments. This exercise specifically used a hypothetical Disorderly scenario, which we deemed the most relevant for this type of assessment. In a Disorderly scenario, a sudden and unanticipated response is disruptive but sufficient enough to meet climate goals. In the analysis, we found that the two sectors most exposed to a Disorderly transition scenario are Energy ($4.0 billion in total commitments) and Transportation & Warehousing ($4.1 billion in total commitments), which cumulatively represent 11% of the Commercial & Industrial loan commitments. The scenario analysis results indicated an expectation of negative risk rating migration in more than 25% of each such portfolio sector. Under the scenario analysis process, the remaining 15 sectors of our portfolio carried either no or a moderate expectation of negative risk rating migration as a result of the transition risks tied to climate change. Our 2020 scenario analysis also examined the impact of physical risks on our real estate lending portfolios. These portfolios were analyzed using the Disorderly scenario described above, as well as the Orderly (begin reducing emissions now to meet climate goals in a measured way) and the Hot House World (continued increase in emissions with little to no aversion of physical risk) scenarios. The analysis findings for the Orderly and Disorderly scenarios indicated no material impact on the physical risks related to the real estate portfolios. However, in the Hot House World scenario, with a two-degree long-term rise in sea levels, we found that 11% of our consumer and commercial real estate portfolios could be impacted to various degrees. We are in the process of developing new approaches to quantitatively measuring climate risks in our loan portfolios, including enhancing our client-level borrower assessment to embed additional environmental factors into our underwriting and monitoring processes.
Investing (Asset manager)	No, but we plan to do so in the next two years	<Not Applicable>	We have prioritized assessing our lending portfolio for impacts of climate-related risks and opportunities on our business and operations. However, we plan to develop an organizational definition of "sustainable finance," which could include investing activity, and identify corresponding data capture methodologies.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	Bank lending and investing constitute the vast majority of our business and operations, thus constituting the focus of our climate-related activities.

C-FS14.1a

(C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)

Category 15 (Investments)

Evaluation status
Relevant, not yet calculated

Scope 3 portfolio emissions (metric tons CO2e)
<Not Applicable>

Portfolio coverage
<Not Applicable>

Percentage calculated using data obtained from client/investees
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Please explain
Beyond the risk exposure in our portfolio, we acknowledge the importance of delving more into the analysis by directly investigating and quantifying the emissions arising from our portfolio. For that reason, we plan to initiate the process of evaluating and measuring our Scope 3 emissions specific to our portfolio, which will help us assess our long-term alignment with the Paris Agreement and the transition to a net-zero carbon economy. An important initial step in accomplishing this goal will be evaluating the variety of methodologies available for measuring these emissions, including the methodology developed by the Partnership for Carbon Accounting Financials ("PCAF"), and determining which of those methodologies is best suited for our portfolio and business. We plan to accomplish this in the next 2 years.

C-FS14.1b

(C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)

C-FS14.1c

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 “Investments” emissions or alternative carbon footprinting and/or exposure metrics)

Over the past year, we have built out a dynamic qualitative scenario analysis to obtain initial insight into our portfolio exposure to climate-related risks. We plan to build on this progress by initiating the process of evaluating and measuring our Scope 3 emissions specific to our portfolio, which will help us assess our long-term alignment with the Paris Agreement and the transition to a net-zero carbon economy. An important initial step in accomplishing this goal will be evaluating the variety of methodologies available for measuring these emissions, including the methodology developed by the Partnership for Carbon Accounting Financials (PCAF), and determining which of those methodologies is best suited for our portfolio and business. We plan to accomplish this in the next 2 years.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	None of the above, but we plan to do this in the next 2 years	Over the past year, we have built out a dynamic qualitative scenario analysis to obtain initial insight into our portfolio exposure to climate-related risks. We plan to build on this progress by initiating the process of evaluating and measuring our Scope 3 emissions specific to our portfolio, which will help us assess our long-term alignment with the Paris Agreement and the transition to a net-zero carbon economy. An important initial step in accomplishing this goal will be evaluating the variety of methodologies available for measuring these emissions, including the methodology developed by the Partnership for Carbon Accounting Financials (PCAF), and determining which of those methodologies is best suited for our portfolio and business. We plan to accomplish this in the next 2 years.

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years	Once we have been able to evaluate and measure our Scope 3 portfolio emissions, we will be in a position to determine the appropriate future portfolio alignment and develop a strategy to achieve the trajectory we deem appropriate.
Investing (Asset manager)	No	Once we have been able to evaluate and measure our Scope 3 portfolio emissions, we will be in a position to determine the appropriate future portfolio alignment and develop a strategy to achieve the trajectory we deem appropriate.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	Bank lending and investing constitute the vast majority of our business and operations, thus constituting the focus of our climate-related activities.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Executive Vice President, Chief Governance Officer, and Deputy General Counsel - leads enterprise-wide ESG strategy (thus occupying a role that would encompass the Chief Sustainability Officer)	Chief Sustainability Officer (CSO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms