Regions Financial Corporation

TCFD REPORT

2020

REGIONS®

CONTENTS

This publication constitutes our first stand-alone disclosure made pursuant to the recommendations of the Task Force on Climate-related Financial Disclosures. The activity described in this report applies to Regions Financial Corporation and its subsidiaries, referred to collectively throughout as "Regions" or the "Company." The data in this report covers the period from January 1, 2020 through December 31, 2020, unless otherwise noted. Statistics and metrics included in this report are estimates and may be based on assumptions.

The goals and planned future enhancements that we set forth in our ESG disclosures, including those discussed in this report, are aspirational in nature. As such, we cannot guarantee or promise that these goals will be met. We do not plan to update any of these forward-looking statements on an ongoing or rolling basis.

The information covered in this report is not meant to be comprehensive; instead, it is meant to complement and accompany our other disclosures, including our 2020 Annual Report on Form 10-K (particularly the "Forward-Looking Statements" and "Risk Factors" sections); Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 (particularly the "Forward-Looking Statements" section); *2021 Proxy Statement*; *2020 CDP Climate Change Questionnaire Response*; *2019 Annual Review & ESG Report*; *2019 GRI Content Index*; *2018 SASB Disclosure*; and *Environmental Sustainability Policy Statement*. All of these disclosures are available at *ir.regions.com* and our ESG-focused disclosures can also be accessed through our *ESG Resource Center*.

A Message From Our CEO

To our customers, associates, communities, and shareholders:

In a year of uncertainty, the global pandemic has emphasized the need to confront other factors that pose a dynamic threat to our financial system. At Regions, we are driven to respond to uncertainty with resiliency; the same is true for our approach to climate change. Responding proactively to the risks and opportunities presented by climate change also helps us accomplish our mission: to achieve superior economic value for our shareholders by making life better for our customers, associates, and the communities we serve. We not only recognize these synergies but seek to use them to our advantage.

To ensure that we harness these new opportunities for delivering shared value to our stakeholders, Regions is evaluating its activities to determine how we can support the transition to a lower-carbon economy. Regions remains strongly committed to continually evolving our enterprise-wide strategy to identify and mitigate climate change-related risks; perpetually enhancing our operational sustainability; and engaging with our customers on their own climate-related efforts.

This commitment flows throughout our entire organization, starting with our Board of Directors and management. We have risen to the challenge we posed to ourselves in our Environmental Sustainability Policy Statement by lowering the greenhouse gas emissions and energy use generated through our operations. We have also actively invested internal resources to better understand how climate change-related risks and opportunities can be folded into our broader strategic planning and risk management.

Designing and implementing enterprise-wide programs and policies that address climate change in a meaningful way is not a process that can be undertaken overnight. Regions is dedicated to ensuring that our evolution in this respect is timely and proactive, but also maintains a deliberate approach toward optimal effectiveness. We have shown tangible progress through initiatives such as our eSignature program, sustainable lending and investing activities, and Environmental, Social and Governance ("ESG")-focused asset management products.

Just as we have prioritized these efforts, we believe it is important to keep our stakeholders apprised of our progress. We began issuing our Corporate Sustainability Report, now our Annual Review & ESG Report, in 2017. We have since supplemented this central report with disclosures aligned with the Global Reporting Initiative's ("GRI") Standards, the industry-specific metrics developed by the Sustainability Accounting Standards Board ("SASB"), and the CDP's (formerly the Carbon Disclosure Project's) Climate Change Questionnaire. We know that our stakeholders value the information we provide in these disclosures, so we are constantly seeking ways to improve our transparency through reporting. This inaugural Task Force on Climate-related Financial Disclosures ("TCFD") Report is just the next step for us in that journey.

As the potential challenges presented by climate change grow clearer, so do the opportunities presented by a transition to a lower-carbon economy. We invite you to review this TCFD Report to learn more about how our work intersects with these risks and opportunities, and how capitalizing on such knowledge enables us to generate consistent, sustainable long-term value for all of our stakeholders.

Sincerely,

John M Turner Jr

John M. Turner, Jr.
President and Chief Executive Officer
June 2021

INTRODUCTION

Regions' Climate Commitment

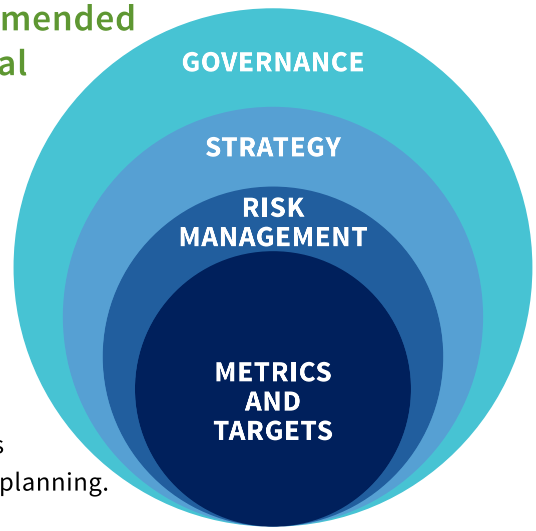
Regions acknowledges the climate challenges that face our planet and is committed to both further reducing our environmental footprint and exploring new ways to support our customers and third-parties in their own efforts to enact similar change. This includes supporting the transition to a lower-carbon sustainable economy, while also considering the short-term and longer-term issues created by climate change, including the risks to our Company. We believe that doing our part in addressing these challenges is an extension of Regions' mission and values, embodying our corporate value to "Do What is Right," while supporting our stakeholders in collectively confronting the challenges posed by climate change.

To best ensure that Regions is prepared to proactively address the risks and opportunities related to climate change as well as the heightened expectations of our various stakeholders, we have begun to address the climate-related matters that we have deemed most significant to our business. Regions recently developed objectives to prioritize environmental and climate change initiatives based upon recommendations from an internal, cross-departmental Environmental and Social Risk Management ("ESRM") working team. Initial implementation of these objectives is evidenced throughout this disclosure and continue to be effectuated at Regions.

THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Financial Stability Board ("FSB") established the TCFD to develop guidance for climate-related disclosures that promote transparency and consistency in companies' external reporting processes. In June 2017, the TCFD developed a framework centered on four thematic recommendations for "disclosing clear, comparable and consistent information about the risks and opportunities presented by climate change."[1] These four areas — governance, strategy, risk management, and metrics and targets — were developed to help stakeholders understand how reporting organizations evaluate climate-related issues.

Core Elements of Recommended Climate-Related Financial Disclosures



GOVERNANCE

The organization's governance around climate-related risks and opportunities.

STRATEGY

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

RISK MANAGEMENT

The processes used by the organization to identify, assess, and manage climate-related risks.

METRICS AND TARGETS

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

These themes provide a foundation for Regions to develop disclosures that facilitate informed stakeholder decision-making and advance further transparency of climate-related implications to Regions.

We acknowledge the current challenges around data capture and lack of standardized methodologies to assess and measure climate change risk, as well as the uncertainty associated with longer time horizons as compared to other financial or non-financial risks. Notwithstanding these limitations, it is important to initiate the journey, using a combination of quantitative and qualitative approaches that allow us to have an initial understanding of climate change-related risks and opportunities and begin prioritization. The work shown in this report is a solid foundation to incorporate future improvements in data and methodologies and the evolution in reporting standards.

[1] *2017 TCFD Recommendations.*

ENVIRONMENTAL SUSTAINABILITY REPORTING AT REGIONS

The importance of environmental sustainability is not a new concept to Regions; it is already directly considered within our enterprise-wide strategic planning process and how our Board and management envision the future trajectory of our Company.

To ensure the transparency of our actions, we have been issuing focused corporate sustainability disclosures since 2017, beginning with our Corporate Sustainability Report. That report, which we now issue as the ESG Report, was integrated with our Annual Review in 2020 to provide both key business information and an overview of our ESG initiatives in a single document. This year's Annual Review & ESG Report will be released later this summer.

This TCFD Report provides an overview of Regions' efforts to address climate change and disclose information according to the TCFD's guidance. We began the process of developing TCFD-compliant disclosures in last year's *Annual Review & ESG Report*, which contained a section where we reorganized a portion of the report's content to align with the TCFD Recommendations. We are excited to begin providing our stakeholders with the TCFD Report on an annual basis going forward.

Regions maintains an *ESG Resource Center* as a centralized site for relevant ESG reports, data, and policies. This includes current and historical issuances of our ESG-focused reports, such as our previous ESG and Corporate Sustainability Reports, responses to the *CDP Climate Change Questionnaire*, and disclosures aligning with *SASB* and *GRI*.

Furthermore, Regions joined the Ceres Company Network, a sustainability-focused cohort, in 2019 to strengthen our commitment to addressing climate challenges through gaining critical insights and leveraging additional expertise. Regions also maintains an *Environmental Sustainability Policy Statement* that outlines key commitments and activities toward operating our business responsibly.

Although Regions has made considerable progress on its ESG disclosures over the last few years, we recognize that Regions and our stakeholders benefit from continuously improving its ESG performance and reporting efforts, and this TCFD Report represents a significant milestone in our continuing journey.

Key Environmental Actions by Regions

2016
- Launched Solar Tax Equity Finance Team

2017
- Began publicly issuing a Corporate Sustainability Report

2018
- Expanded Asset Management offerings to include ESG-focused products
- Adopted an Environmental Sustainability Policy Statement and two environmental goals: to reduce Scope 1 and Scope 2 greenhouse gas emissions by **30%** and to reduce energy use by **30%**, each by 2023
- Released first GRI Content Index
- Issued first response to CDP's Climate Change Questionnaire

2019
- Became a Ceres Company Network Member
- Released first SASB Disclosure

2020
- Released first integrated Annual Review & ESG Report
- Launched comprehensive online ESG Resource Center

2021
- Released first stand-alone TCFD Report
- Reached 2023 Scope 1 and Scope 2 greenhouse gas emissions reduction goal
- Announced new Scope 1 and Scope 2 greenhouse gas emissions reduction goal for 2030

GOVERNANCE

BOARD OF DIRECTORS OVERSIGHT

As a steward of long-term enterprise value, the oversight provided by our Board is pivotal in understanding and managing how climate-related issues affect the Company's operations and business over time. The Board's oversight of these issues, as well as the risks and opportunities they present, is incorporated into its broader supervision of enterprise-wide areas.

Board of Directors

- Environmental elements of strategic and capital planning
- Budgeting for environmental initiatives

NCG Committee

- Environmental strategy, initiatives, and policies
- Practices and reporting on environmental matters of significance

Risk Committee

- Risk Management Framework
- Matters related to environmental risk management

Audit Committee

- Functioning of Company's controls
- Disclosure of material environmental matters

BOARD OF DIRECTORS. The full Board provides the foundation for the Company's management of climate-related risks and opportunities through oversight of the strategic plan, annual budget, and capital planning process. The Board considers and approves the strategic environmental objectives proposed by management in the Company's strategic plan, and subsequently oversees management's implementation of those objectives. The Board also reviews and approves the Company's annual budget and capital plan, ensuring the appropriate allocation of the Company's resources to environmental efforts and initiatives that the Company has deemed to hold strategic importance.

The Board believes that cognizance of current and emerging environmental risks and opportunities, and their impact on long-term value, are inextricably linked to proper Company oversight. For that reason, each Director self-evaluates their competency in environmental sustainability each year. The results of those evaluations can be found in the Board Skills and Composition Matrix included in *Regions' annual proxy statement*.

Further responsibilities connected to environmental risk and opportunity oversight have been intentionally and thoughtfully delegated to the appropriate standing committees of the Board.

NOMINATING AND CORPORATE GOVERNANCE ("NCG") COMMITTEE. Beyond traditional areas of governance, the Board's NCG Committee is formally charged in its *Charter* with overseeing the Company's environmental practices and reporting. This includes reviewing the Company's environmental strategy, initiatives, and policies through multiple presentations throughout the year. The NCG Committee also receives a recurring quarterly update that includes issues and events related to environmental governance. These presentations allow consideration of environmental issues, topics, and updates at every NCG Committee meeting.

RISK COMMITTEE. The oversight of matters related to environmental risk management, such as climate change risk, are expressly delegated to the Board's Risk Committee in its *Charter*. Environmental risk is a growing area of emphasis in articulating the Company's risk tolerance parameters through our Enterprise Risk Appetite Statement, which the Risk Committee reviews and approves at least annually. Similarly, the Risk Committee reviews, approves and oversees the operation of an enterprise-wide risk management framework that integrates climate risk including both transition and physical risk. Regular presentations from management allow the Risk Committee to provide this oversight effectively.

AUDIT 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.

In 2020 and the first half of 2021, the Board and its committees received presentations on topics such as:

- Progress toward meeting goals set out in the *Environmental Sustainability Policy Statement*
- Energy efficiency and sustainability programs and initiatives
- Integration of environmental factors into Risk Management Framework
- Environmental & Social Risk Management efforts
- Environmental governance risks and opportunities
- Climate change and related disclosures
- Results of assessment of physical and transition risks the Company faces

Management Oversight

Our sustainability commitments and initiatives start at the management level and are furthered through the efforts of our entire associate population. Because we view ESG as a company-wide imperative, executing appropriate environmental risk governance is distributed across several members of senior leadership spanning multiple areas of focus, including our Chief Governance Officer, Chief Risk Officer, and Head of Corporate Real Estate and Procurement. We believe this intentional allocation of responsibilities enables efficacy through the application of subject-specific expertise.

Management-level committees are an integral part of our risk governance framework and serve a valuable purpose in ensuing appropriate governance of Company activities. These risk governance committees at the management level and underlying working groups are often necessary to oversee a specific business function, risk, or other matter, with the responsibility to evaluate, manage, and direct action on that matter. Management oversight over climate risks is performed through a comprehensive set of established management and risk oversight committees throughout the Company.

Examples of recurring oversight activities conducted by these management-level committees include:

(1) **review of updates to the risk library to account for climate risk, including risk additions and modifications to existing risks,**

(2) **review of metric performance against target levels to assess adherence to risk tolerance and pursuit of strategic goals,**

(3) **review of risk assessments, such as enterprise risk assessments that encompass the entire risk library for each defined risk type, and**

(4) **review of alignment of business strategy with desired risk appetite as both strategy and appetite evolve to account for material risks, including climate risks.**

We have constructed an ESRM working team composed of cross-functional leadership to oversee our climate risk management practices and guide our approach to climate risk management within our enterprise risk framework. This ESRM working team meets monthly and reports to senior leadership. Regions has recently assembled a group of management-level leaders from across the Company to ensure coordination and alignment of ESG activities and strategies across the enterprise. This group, whose work supports the Executive Leadership Team, began meeting in 2021.

Management also implements environmental directives that are considered initially at the Board level. The aforementioned *Environmental Sustainability Policy Statement* states Regions' responsibility to address environmental challenges through our long-term plan to create sustainable value for our stakeholders. This Policy Statement aligns with other authoritative documents, including our *Human Rights Statement* and *Supplier Code of Conduct*.

RISK MANAGEMENT

Regions recognizes the significance of climate-related risks to our businesses, customers, associates, the communities we serve, and the financial industry at large.

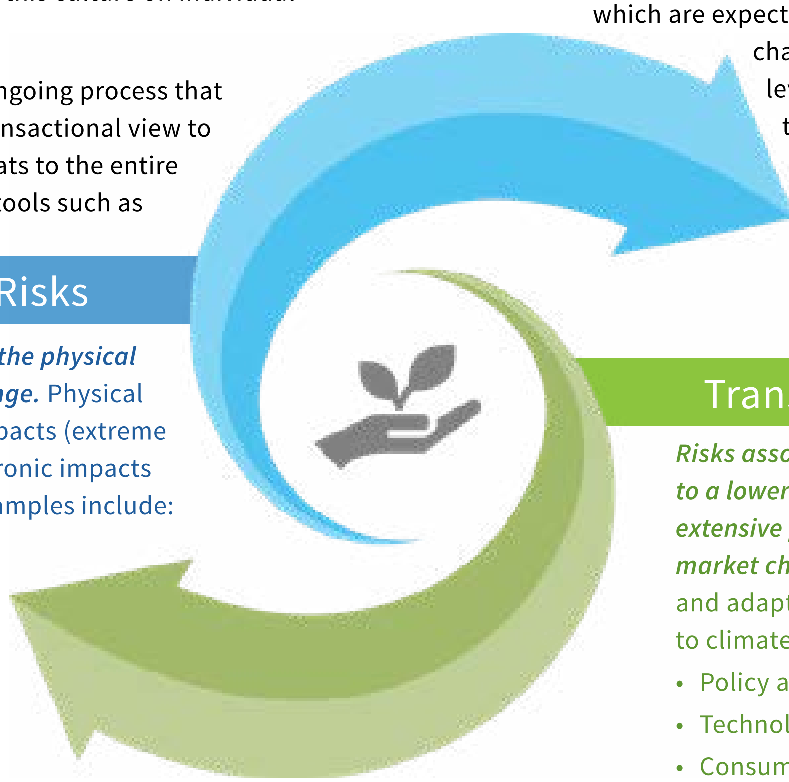
The impact of climate change is increasingly viewed by industry observers as an emerging risk, but uncertainty remains as to the magnitude and timing of climate risk exposure, which is complicated by the lack of relevant historical data to guide future performance. Additionally, stakeholder expectations for managing climate risks and opportunities continue to progress alongside evolving societal and market forces. Our deliberate approach to account for climate risks and opportunities within our established, comprehensive Risk Management Framework (the "Framework") helps us navigate these uncertainties.

The Framework applies to all associates and serves as the foundation for consistent and effective management of the risks facing Regions. It provides for a consistent approach to risk management through clear assignment of roles and responsibilities, a culture of risk ownership and awareness, sustainable risk appetite aligned to our strategy, repeatable processes to manage risk, and effective oversight of risk through corporate governance. These ingrained principles guide our evaluation of climate risks and opportunities and resultant business strategy.

IDENTIFICATION AND AWARENESS

At Regions, we are committed to maintaining a culture of risk ownership and awareness that is evidenced by the values, attitudes and behaviors of our associates. Our Framework establishes that every associate is a risk manager responsible for the identification and management of risks through day-to-day responsibilities. Our Code of Business Conduct and Ethics also reinforces this culture on individual accountability.

Risk identification is an ongoing process that spans from a granular, transactional view to a wider view of large threats to the entire Company. Programs and tools such as 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 that relate to our eight key risk types — compliance, credit, legal, liquidity, market, operational, reputational, and strategic — which are expected to be impacted by climate change on an ongoing basis. We leverage this existing library for the identification of climate-related risks. Several risks in our risk library are classified as climate risks, which are further classified as physical risks or transition risks.



Physical Risks

Risks associated with the physical effects of climate change. Physical risks may be acute impacts (extreme weather events) or chronic impacts (gradual changes). Examples include:

- Extreme heat and drought
- Hurricanes
- Wildfire
- Sea level rise

Transition Risks

Risks associated with the transition to a lower-carbon economy, entailing extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Examples include:

- Policy and regulation
- Technology development
- Consumer preferences

Examples of Climate-related Risks Across Our Eight Key Risk Types

RISK TYPE	DEFINITION	PHYSICAL	TRANSITION
Compliance	The risk to current or anticipated earnings or capital arising from violations of laws, rules, or regulations or from non-conformance with prescribed practices, internal policies and procedures, or ethical standards	Ability to comply with current or future regulatory requirements due to extreme climate events	Long-term susceptibility to regulatory violations due to evolving regulatory guidance
Credit	The risk that arises from the potential that a borrower or counterparty will fail to perform on an obligation	Customer hardship due to climate events (e.g., loss of income, drop in collateral values)	Financial degradation within susceptible industries during the transition to a lower-carbon economy
Legal	The risk associated with the failure to meet Regions' legal obligations from legislative, regulatory, or contractual perspectives	Real or perceived customer harm driven by climate events that lead to legal claims	Sustained increase in legal action due to negative economic impacts to customers and third-parties and evolving legal requirements
Liquidity	The potential that we will be unable to meet our obligations as they come due because of an inability to liquidate assets or obtain adequate funding (referred to as "funding liquidity risk"), or the potential that we cannot easily unwind or offset specific exposures without significantly lowering market prices because of inadequate market depth or market disruptions (referred to as "market liquidity risk")	Impact of climate events on economic activity, customer deposit trends, and other means of funding for operations	Impact of climate change on funding methods and capabilities
Market	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	Impact of climate events on economic activity and asset prices	Long-term decline in value of transition-resistant investment securities
Operational	The risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events	Impact of climate events on system availability, associate preparedness, and third-party performance	Change management associated with evolving processes internally and at third-parties
Reputational	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	A publicized environmental disaster at a prominent client's facility	Perceived lack of commitment to navigating climate change amongst stakeholders
Strategic	The risk to current or projected financial condition arising from adverse business decisions, poor implementation of business decisions, or lack of responsiveness to changes in the banking industry and operating environment	Impact of climate events on economic activity and the achievement of corporate goals	Impact to achievement of long-term strategic goals due to ongoing climate uncertainties

To further promote climate risk awareness and risk identification from all associates, we conduct enterprise-wide education and awareness activities that include, among other things, education related to the known and potential impacts of climate-related risks. Our Corporate Communication partners are versed in the implications of climate change and seek opportunities to further reinforce them through relevant internal communications. For example, we promote sustainability impact and awareness annually through our Earth Week celebration. Our Executive Leadership Team participates in these communications, highlighting our roles and responsibilities as Regions' associates in driving sustainability within our operations and our responsibility to the communities we serve. Furthermore, there are many resources available that have been developed internally that provide associates across the Company with sustainability education and awareness. For example, we have an internal ESG/ESRM Information Hub with relevant, timely information to broaden our associates' understanding of managing ESG implications within their day-to-day roles. With this dynamic information marketplace, we find consistent and centralized access to information is key to sustaining our evolving efforts.

> *Our strategy, sustainability and profitability are dependent upon the accurate identification and documentation of the amount of risk that we as a firm are willing to take to achieve our strategic objectives and business plans — our risk appetite.*

Our enterprise- and business-level risk appetite statements are crafted through an iterative process with the development of our strategy, guided by both our mission and vision, and informed by key risks, including emerging risks. Our risk appetite helps us maintain a strong and flexible financial position so we can weather challenging economic times and take advantage of growth opportunities. We routinely assess our performance against risk appetite using a standard risk rating scale that is tailored to measure performance for each of our key risk types.

ASSESSMENT AND MEASUREMENT

Risk assessments are an essential tool to identify material risks that could have a negative impact to our risk profile and to provide for the proactive management of those risks. Risk assessments measure adherence to risk appetite and reinforce risk culture through their collaborative execution and review across the lines of defense. 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.

We continue to develop our approach to measuring climate-related risks. Currently, we are reviewing our loan portfolios to discern the industries and segments that are vulnerable to climate-related risks and those that will benefit during the evolution to a lower-carbon economy and have already taken action in certain instances, including lending moratoriums. Loan portfolio analysis is described in further detail in the Strategy and Metrics & Targets sections of this disclosure.

Regions is developing new approaches to quantitatively measuring climate risks in the loan portfolios, including enhancing our client-level borrower assessment to embed additional environmental factors into underwriting and monitoring. Other risk management exercises, such as scenario analysis (described in more detail in the Strategy section), are being utilized to evaluate the potential impacts to Regions of transition and physical risks.

Oversight of climate risks is integrated into our defined roles and responsibilities process, including designations within each of the three lines of defense.

1

FIRST LINE OF DEFENSE
Business Group

RESPONSIBILITIES

- Works with Strategic Planning and Risk Management on desired customer profile.
- Engages in transactions with clients and is responsible for the identification and ownership of all risks, including those related to climate change.
- Monitors risk performance in conjunction with partners from Risk Management, and reports on an as-needed basis on topics such as environmental risk to applicable Business Risk Committees with participation across the lines of defense.
- Identifies and manages climate change-related opportunities.

2

SECOND LINE OF DEFENSE
Risk Management

RESPONSIBILITIES

- Creates policies and guidance as part of aggregate oversight of risk (e.g., environmental risk).
- Monitors performance against limits and engages with Business Group when action should be taken to lessen or mitigate an exposure.
- Reports on material environmental risks and issues (e.g., policy exceptions and limit breaches) to aggregate risk oversight committees chaired by Risk Management leadership.

3

THIRD LINE OF DEFENSE
Internal Audit

RESPONSIBILITIES

- Independently reviews adherence to policies and risk limits by the first line of defense and the quality of risk oversight from the second line of defense.
- Issues audit findings when deficiencies are identified to ensure corrective actions are taken.

CLIMATE CHANGE MITIGATION STRATEGIES

Correlation and interdependency of risks are important considerations in the Company's approach for managing each key risk type. 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 judgement 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.

> ***In the short and long term, mitigation efforts may take many forms, including adjustments to our policies and controls that implement our risk appetite and development of targeted training courses to educate associates on particular mitigation efforts. Our policies and controls mitigate risk through the establishment and communication of risk limits, standards, and procedures that define responsibility and authority for risk-taking.***

CREDIT POLICY. Our credit policy identifies industries, products and transaction types that present increased risk, including environmental and/or social risks, which we address by instituting a limited credit appetite and elevated approval and exception tracking requirements. The Risk Committee of the Board of Directors reviews and approves our credit policy on an annual basis. Each section of the credit policy is reviewed according to a schedule approved annually by the Financial Risk Executive. Lending parameters on coal mining and coal-related activities serve as an example of how we are tailoring our portfolio to address these risks.

Regions' Energy and Natural Resources White Paper, an internal document that defines our risk appetite with respect to higher-risk lending, identifies many of the heightened environmental risks presented by lending to coal mining companies and other such industries. This document is updated periodically and reflects Regions' decision to not lend to companies that use mountaintop removal mining practices to extract more than five percent of their total annual tonnage.

Our credit policy is expected to evolve over time as our research continues and our climate risk appetite and desired client profile matures alongside our strategy.

BUSINESS CONTINUITY. Climate change could impact Regions' facilities, operations, and associates through more frequent severe weather events. We are particularly exposed to hurricanes given our predominant footprint in the southeastern United States. Our Business Resilience Program provides for the continuation of essential business operations in the event of a disruption or threat of a disruption due to natural, technological, man-made, or pandemic events, including climate-related natural disasters. In addition to our Business Resilience Program, we operate a multi-department Weather Response Program that includes detailed weather monitoring and, when a major weather event impacts our footprint, a coordinated onsite Disaster Response + Disaster Recovery effort. The Disaster Response + Recovery phase focuses on the quick assessment of damages to our facilities and executing required repairs and cleanup in order to allow resumption of banking services at these facilities to support our customers after a major weather event has occurred.

PUBLIC POLICY. Our Governmental Affairs team is engaged with policy makers, peer banks, and industry trade associations to ensure potential policy changes are vetted and tailored to the needs of the industry and our clients, where appropriate.

RISK APPETITE. Climate change risk tolerance is a key focus for leadership, and the 2021 annual refresh of our Enterprise Risk Appetite Statement will provide greater internal clarity into this important topic, which will provide for further development of climate risk mitigation through related risk policies, programs, tools, and governance. Our risk governance framework establishes responsible oversight of the climate risks we face and the activities that we perform to mitigate these risks, as previously discussed within the *Governance* section.

STRATEGY

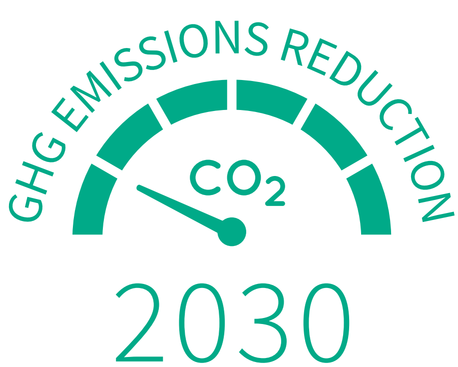
Regions maintains a set of enterprise-wide, integrated processes to ensure that the development of our strategic priorities and strategic plans are appropriately informed by key risks and the Company's risk appetite.

The actual and potential impacts of climate-related risks and opportunities are considered within these existing processes to inform the Company's businesses, strategy, and financial planning. Regions recognizes the important role that financial institutions play in the transition to a lower-carbon, sustainable economy. The Company supports this evolution through engaging with our clients and supporting their needs in this transition, pursuing new sustainable finance opportunities, actively minimizing our operational footprint on the environment, and proactively identifying and mitigating climate risks in our Company.

Climate change risk assessment is an emerging field and there is significant uncertainty around its quantification, with evolving data and methodologies. For Regions, we prioritized laying out the foundational work for the identification of risks and opportunities related to climate change, with the goal of identifying significant areas that require additional monitoring and where additional efforts can be deployed in the near future as climate change methodologies and data mature.

Regions' environmental strategy relies on the identification of risks and opportunities to drive strategic initiatives. This strategy considers all three scopes of greenhouse gas ("GHG") emissions, as defined by the U.S. Environmental Protection Agency:

SCOPE 1 EMISSIONS	SCOPE 2 EMISSIONS	SCOPE 3 EMISSIONS
Direct GHG emissions that occur from sources that we control or own	Indirect GHG emissions associated with our purchase of electricity, steam, heat, or cooling	Indirect GHG emissions resulting from activities of assets not owned or controlled by our company across our value chain



Successful execution of this environmental strategy is measured through achievement of defined emissions metrics and targets. We established our first GHG emissions reduction goal in 2018, seeking to reduce our Scope 1 and Scope 2 emissions by 2023. Having accomplished this goal ahead of schedule, we are now releasing a new Scope 1 and Scope 2 GHG emissions reduction goal for 2030. Measurement of Scope 3 emissions, including for financed emissions, is an emerging discipline, and we are committed to exploring new methodologies and approaches to measuring and evaluating our Scope 3 portfolio emissions. More details on these efforts are discussed in the *Metrics & Targets* section of this report.

This *Strategy* section demonstrates how we are identifying and considering climate-related risks and opportunities to inform our broad strategic development.

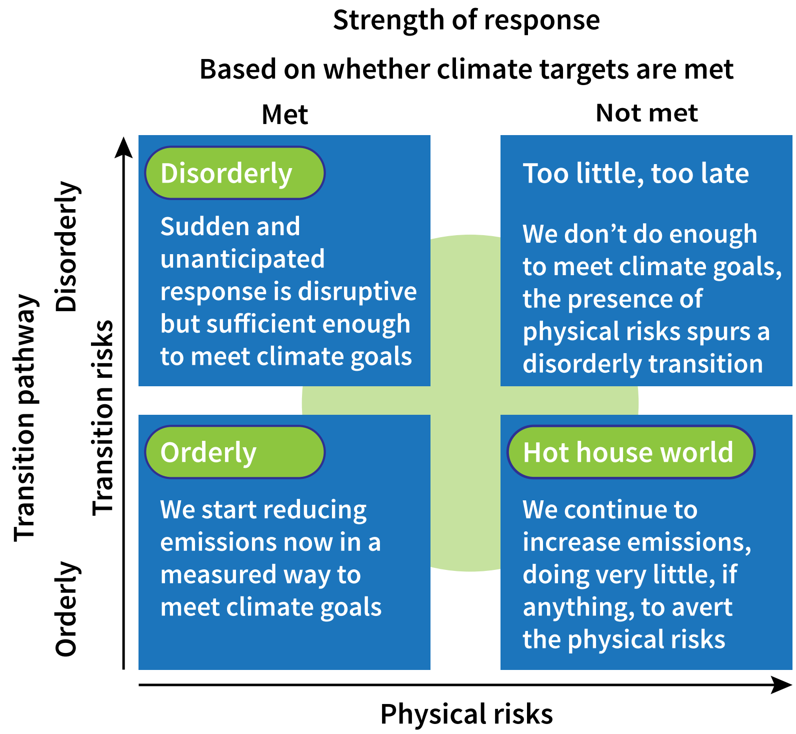
SCENARIO ANALYSIS FRAMEWORK

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 the potential impacts.

Considering the uncertainty and the longer time horizons associated with climate-related risks, we have leveraged scenario analysis to frame our climate change risk assessments. Applying a set of hypothetical climate scenarios that depict different potential future states, Regions assessed the possible impacts to the Company over different time horizons. Regions selected three climate scenarios from the Central Banks and Supervisors' Network for Greening the Financial System ("NGFS") that depicted different transition paths representing various policy actions and timeframes. As shown in the chart, the scenarios are constructed upon varying transition pathways (the pace and timing of implemented policies) and the level of achieved desired climate policies.

THESE SCENARIOS INCLUDED:

NGFS Climate Scenarios Framework



These hypothetical scenarios do not represent Regions' expectations but have been constructed by NGFS to assist in the evaluation of potential impacts across a broad range of low risk and high risk theoretical outcomes.

ASSESSMENT OF CLIMATE RISKS

The scenario analyses helped us to hypothesize what the potential impacts to our lines of business and operations might be 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.

Utilizing the NGFS scenarios, Regions conducted a forward-looking exercise to assess climate-related risks with focus upon the following three areas:

- **For transition risks**, impact on our Commercial and Industrial lending portfolios **(credit risk)**
- **For physical risks**:
  - Impact on our business operations **(operational risk)**
  - Impact on our real estate lending portfolios **(credit risk)**

As part of the evaluations performed, we also considered the potential strategic and reputational risks. The risk assessment exercise generally considered three potential time horizons:

- Short Term: <2 Years
- Medium Term: 2-5 Years
- Long Term: >5-30 Years

Despite the increasing uncertainty as the time horizon increases, the utilization of different time horizons assisted the considerations regarding the path of manifestation of different types of risk.

Impact of Transition Risks on Our Commercial & Industrial Portfolios

SUMMARY FINDINGS

- We focused on a hypothetical Disorderly scenario, since that type of scenario would be most relevant for the assessment of transition risks in our Commercial and Industrial portfolio.
- The two sectors most exposed to a Disorderly transition scenario are Energy and Transportation & Warehousing, which cumulatively represent **11%** of the Commercial & Industrial loan commitments. Under such a hypothetical scenario, we would expect significant negative rating migration in those portfolios.
- For the rest of the sectors in the Commercial & Industrial portfolio, we would expect no to moderate impact should an acceleration in the transition to a lower-carbon economy happen.
- Overall, we qualitatively assess the sensitivity of our Commercial and Industrial portfolio to transition risk as moderate in the medium term, if events occurred in a manner similar to the Disorderly scenario.

TAKEAWAYS AND NEXT STEPS

- Continue engaging with our customers and supporting them in the transition to a lower-carbon economy.
- Develop assessments at relationship level, with initial focus on the industries identified as more vulnerable to transition risks.
- Focus on the identification of opportunities in the transition to a lower-carbon economy to support our customers, enhance our position in eventual Orderly and Disorderly scenarios, and deploy capital and liquidity into profitable growth.
- Continue enhancing data capture and methodologies to quantify the impact of transition risks in probability of default and loss given default factors.

COMMERCIAL & INDUSTRIAL (C&I) PORTFOLIO SENSITIVITY TO CLIMATE CHANGE TRANSITION RISK

(as of December 31, 2020)

C&I Sector*	Outstanding Loan Balances (In billions)	Outstanding Loan Balances (% of total C&I)	Total Commitments (In billions)	Total Commitments (% of total C&I)	Sensitivity to Transition Risk (Disorderly Scenario)
Administrative, support, waste and repair	$ 1.6	% 3.9	$ 2.6	% 3.6	
Agriculture	0.4	1.0	0.8	1.0	
Educational services	3.1	7.4	3.9	5.3	
Energy	1.7	4.1	4.0	5.5	
Financial services	4.4	10.7	9.3	12.7	
Governmental and public sector	2.9	7.0	3.5	4.8	
Healthcare	4.1	10.0	6.6	9.0	
Information	1.7	4.1	2.8	3.8	
Manufacturing	4.6	11.0	8.8	12.0	
Professional, scientific and technical services	2.5	6.0	4.1	5.5	
Religious, leisure, personal and non-profit services	2.0	4.8	2.8	3.8	
Restaurant, accommodation and lodging	2.2	5.3	2.5	3.5	
Retail trade	2.6	6.2	4.8	6.5	
Transportation and warehousing	2.7	6.6	4.1	5.7	
Utilities	1.8	4.4	4.6	6.3	
Wholesale goods	3.0	7.4	6.3	8.7	
Other	—	0.0	1.8	2.4	
Total C&I*	**$ 41.3**	**% 100**	**$ 73.3**	**% 100**	

*C&I portfolio sectors, excluding Real Estate which includes REITs (are unsecured commercial and industrial products and are real estate related)

Sensitivity to Transition Risk in Disorderly Scenario Legend

- No expectation of negative risk rating migration
- Moderate expectation of negative risk rating migration
- Expectation of negative risk rating migration in more than 25% of the portfolio sector

Impact of Physical Risks on Our Business Operations

SUMMARY FINDINGS	TAKEAWAYS AND NEXT STEPS
• Business resilience process is working effectively. • Weather-related operational losses averaged **$3 million** per year between 2013-2020, with approximately **69%** being hurricane related. • Acute and chronic physical risks could significantly increase under a Hot house world-type scenario (in the long term). • The risk of critical facilities subject to sea level rise exposure does not suggest material business continuity concerns in the medium term. • Regions has developed a geospatial data and analytics tool to monitor sea level rise impacts in the long term under different scenarios, including affected branches and facilities.	• Continued investments in technology and digitalization is a risk mitigating factor, as demonstrated during the COVID-19 crisis. • Continue monitoring the severity and frequency of weather events and climate-related physical risks in general. • Continue enhancements to geospatial data and analytics, including more precise impact analysis capabilities. • Monitor natural disasters insurance premiums.

Impact of Physical Risks on Our Real Estate Portfolios

SUMMARY FINDINGS	TAKEAWAYS AND NEXT STEPS
• In a Hot house world-type scenario where, hypothetically, sea levels rose two feet in the long term, our consumer and commercial real estate portfolios that could be impacted to varying degrees (from minor to significant impact) represent approximately **11%** of the total loan portfolio. • That hypothetical scenario would be the result of a failure to globally tackle climate change and, subject to material inherent uncertainty, could start manifesting well beyond the tail end of our long-term horizon (2050). • The Orderly and Disorderly scenarios would not be expected to have a material impact on the physical risks related to the real estate portfolios. • Overall, we qualitatively assess the sensitivity of our consumer and commercial real estate portfolios to physical risks as low in the short and medium term, and moderate in the long term.	• Continue supporting our customers in the transition to a lower-carbon economy. • 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 (acute and chronic risks). • Continue monitoring the severity and frequency of weather events. • Continuous enhancements to geospatial data and analytics, including more precise impact analysis capabilities. • Monitor mortgage insurance premiums and availability. • Explore mitigation strategies.

IDENTIFIED PHYSICAL RISKS

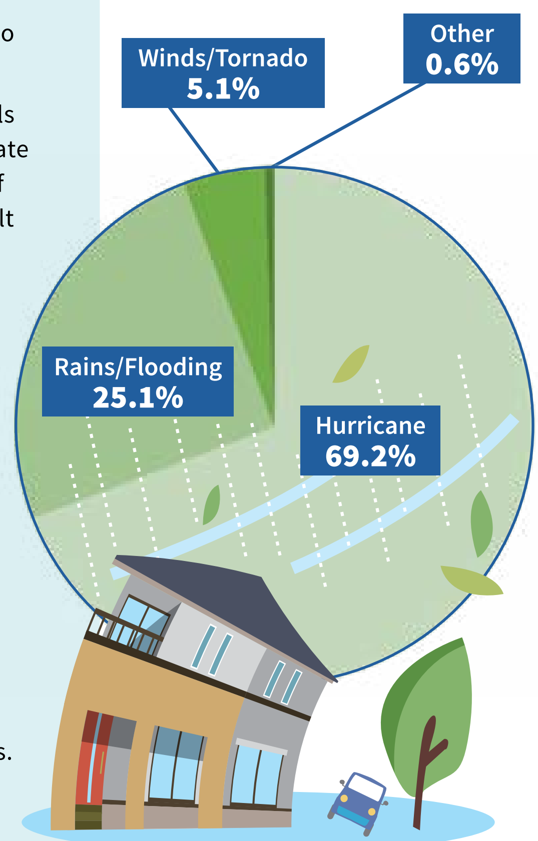
Between 2013 and 2020, Regions experienced **203** operational loss events attributed to the Basel category of Damage to Physical Assets.

These operational loss events included **63** weather related events, such as hurricanes, wind/tornados, and storms. These occurrences average **9** events per year.

Weather-related operational losses totaled **$22 million** between 2013 and 2020.

The average weather-related operational loss per year is **$3 million**.

WEATHER-RELATED NET OPERATIONAL LOSSES 2013 – 2020



CLIMATE OPPORTUNITIES

In addition to the risks identified that may potentially impact the Company, Regions actively works to identify climate-related opportunities.

This includes supporting our customers who depend on us to provide sustainable investing or financing opportunities they are interested in pursuing related to this transition. We have seen growth in our sustainable lending areas in the past few years and expect to develop and disclose a sustainable finance definition and reporting methodology in the future, as well as evaluate the development of a sustainable finance goal.

For the ongoing development of the 2022-2024 Strategic Plan, Regions will incorporate climate opportunities as part of its ESG efforts in several ways. As with previous plans, ESG will be highlighted in the enterprise strategy to support our core competencies. Additionally, ESG templates will be integrated at the business level to promote the development of ESG business level strategies, including documentation of ESG successes, plans that are underway, considerations of identified risks and opportunities, and longer-term evaluation about how ESG strategies will impact delivering products and services to our customers.

Sustainable Financing

As a financial institution, we understand the role that we play in the transition to a lower-carbon economy. For that reason, we provide sustainable lending and investment products and services that can benefit our customers and our climate, and we only expect our work in this area to grow in the future.

In 2020, our sustainable finance efforts enabled:

Over
$575 million
in renewable energy financing

Sustainable management of over
1 million
acres of timberland

97% growth year-over-year in client assets allocated to ESG-focused investment products

Regions supports the development and implementation of clean energy solutions through our Solar Tax Equity Finance Team and the Energy and Natural Resources Group ("ENRG"). Furthermore, 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 GHG emissions from commuter vehicles.

SOLAR TAX EQUITY FINANCE TEAM. 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.

ENERGY AND NATURAL RESOURCES GROUP. 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.

Regions recently made a $100 million commitment toward a corporate client's sustainability-linked credit facility, with facility's pricing tied to Key Performance Indicators related to the client's use of renewable energy and hiring practices.

Responsible Asset Management

ASSET MANAGEMENT GROUP

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. These products include two equity products and two fixed-income products.

This year, Asset Management also developed a firm-wide ESG/socially responsible investing ("ESG/SRI") philosophy. In 2021, we plan to launch a model portfolio made up of managers tasked with investing in a responsible or sustainable manner.

Growth in ESG/SRI assets over recent years highlights our commitment to providing ESG-related, socially responsible, and impact-focused investment opportunities as well as growing customer interest in these product sets.

Sustainable Forestry Management

The Natural Resources and Real Estate ("NRRE") Department consists of 41 natural resource professionals who are charged with the responsibility of prudently managing hard assets owned by our banking and trust clients. 18 of these professionals are registered foresters responsible for the sustainable management of over 1 million acres of timberland located across Regions' 15-state footprint. Regions manages every acre of timberland in accordance with State Best Management Practices ("BMPs") for Forestry. Regions' forestry management efforts and State BMPs are implemented in efforts to improve water quality, carbon sequestration and wildlife habitat.

In addition to BMP management, a portion of the timberland acres managed by Regions' foresters are certified under the 2015-2021 Sustainable Forestry Initiative ("SFI") Standard or the 2015-2020 American Tree Farm Certification ("ATFC") Standard. Both third-party certification systems promote sustainable forestry practices aimed at protecting water quality, biodiversity, wildlife habitat, species at risk, and forests with exceptional conservation value.

Regions' foresters take pride in and are committed to the sustainable forestry management of our clients' timberland assets. Additionally, the NRRE Department is currently exploring carbon capture credit opportunities.

Paper Use and Digital Acceleration

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. We have also expanded our eSignature program, completing 2.3 million transactions using eSignature in 2020.

Though these efforts were amplified by the need to operate remotely during the pandemic, 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. Our digital users are up 5.7 percent from last year, with 2.9 million active digital customers and more than 1.1 billion digital logins 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.

Regions has 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 have resulted in a significant increase in mobile user satisfaction.

METRICS AND TARGETS

Banks play a pivotal role in minimizing the impacts of climate change.

Our ability to effectively honor this responsibility depends on how we measure our contributions to society, through not only the financial support we provide to various industries but also in the sustainability of our operations. Capturing these metrics deepens our understanding of our impact, via both risks and opportunities, while simultaneously enabling us to develop ambitious but practicable sustainability goals we can share with the public. By continuing to gather the data, we can then evaluate our progress against those goals on an ongoing basis and also deepen our own internal risk management and strategic efforts. We provide some of these key metrics, and the goals they inform, to solidify our accountability and demonstrate our desire for openness and transparency.

SUSTAINABLE BUSINESS STRATEGY

Capital Mobilization

We understand that our ability to mobilize capital grants our industry a unique role in the transition to a lower-carbon economy. For that reason, we are committed to supporting the development and implementation of clean energy solutions and providing sustainable investment products and services that can benefit our environment as well as our customers.

2020 SUSTAINABLE LENDING

Committed or closed **$575 million** in renewable energy financing

- **$313.5 million** in funding for PV solar projects — generating over **268 megawatts**
- Nearly **$150 million** in utility-scale solar construction financing
- **$26 million** in solar acquisition financing
- **$75 million** in offshore wind vessel financing
- Co-managed **$1 billion** senior notes offering supporting clean water/wastewater infrastructure

Help reduce commuter emissions through **over $140 million** in commitments to mass transit and urban rail transit systems

2020 SUSTAINABLE INVESTING

4 externally managed ESG-focused products

- 2 equity products
- 2 fixed-income products

97% growth year-over-year in Assets Under Management for 4 externally managed products

Added **2 new** ESG-focused offerings in Investment Management

Sustainable management of over **1 million acres** of timberland

- Spans Regions' **15-state** footprint
- Staffed by more than **40** natural resource professionals, including **18** registered foresters

Portfolio Exposure

Understanding the existing level of exposure to climate change risk carried by our lending portfolio is an integral step toward allocating capital in a more sustainable way. Please refer to the *Strategy* section of the disclosure for a detailed description of this analysis.

Value Chain Emissions

The Scope 3 emissions we currently capture are calculated using the Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Accounting & Reporting Standard. Pursuant to this methodology, we disclose our Scope 3 emissions in a number of categories we have deemed relevant to our business in our response to CDP's annual Climate Change Questionnaire. We issue this response as a stand-alone disclosure to complement our other ESG reporting.

As our practices in recording these metrics have developed, we have also incorporated our Scope 3 emissions metrics for business travel into our annual ESG Report. The below chart demonstrates not only how our efforts have increased over time, but also how our business travel-related emissions have been in decline since 2018.

SCOPE 3 EMISSIONS (as of December 31, 2020)	2020	2019	2018	2017	2016	2008
Total Business Travel (metric tons CO2e)	2,440	8,444	9,095	n/a	n/a	n/a
Air Travel	631	2,765	2,898	2,920	2,589	n/a
Car Travel – rental vehicle	800	2,802	2,890*	n/a	n/a	n/a
Car Travel – personal vehicle	1,009	2,876	3,308	4,032	4,214	4,811
Per Associate**	0.13	0.43	0.46	n/a	n/a	n/a

n/a – Business travel emissions data predating 2018 is incomplete, as it was not gathered by our vendor.
*In 2018, we were only able to collect rental vehicle emissions data for the fourth quarter. To estimate full-year emissions, we multiplied the fourth quarter's emissions by four.
**All per-associate figures in this report are based on the number of full-time equivalent employees at year-end.

Identifying and Capitalizing on Growth Opportunities

We are constantly seeking ways to strengthen our understanding of how we indirectly impact the environment through the activities that take place across our value chain. Over the past few years, we have begun disclosing metrics that we believe are important to that understanding, such as our sustainable lending and investing activity and our work to reduce transportation emissions related to our business. This TCFD Report also evidences the exposure of our lending portfolio to areas we deem to be "high-risk" from an environmental perspective.

While we are proud of these efforts, we know there is more work to be done. 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 look forward to sharing our progress as this work develops.

REGIONS' OPERATIONAL FOOTPRINT

We are committed to operating our business responsibly, understanding that doing so will help us create long-term, sustainable value for our stakeholders and society. This commitment, and how we plan to act on it, was articulated in our Environmental Sustainability Policy Statement, which was initially approved by management in 2018 and is now overseen by the Board's NCG Committee. The Policy Statement contains a number of pledges that, as this report demonstrates, we have since made considerable progress to effectuate.

Importantly, the Policy Statement also established our first two environmental goals using a 2015 baseline. Both goals have since served as key operational targets for our organization. We are pleased with the progress we have made since that time.

2023 TARGETS FOR REDUCING ENVIRONMENTAL FOOTPRINT

Target Area	Breadth	Unit of Measurement	Reduction Target (against 2015 baseline)	Progress by 2020
Gross Scope 1 and Scope 2 Greenhouse Gas Emissions (Location-Based)	Real estate where Regions is responsible for paying utilities and maintains operational control	Metric tons CO_2e	30%	41%
Energy Use	Electricity and natural gas usage in metered space	MWh	30%	26%

To achieve the progress we have achieved thus far on our 2023 goals, we have escalated many existing initiatives while developing new approaches, including:

- Energy-efficient LED lighting and automatic controls
- HVAC and mechanical efficiency upgrades and improvements
- Building intelligence and remote controls
- High-performance building envelope upgrades
- Education and awareness for continuous improvement of control processes
- Real estate portfolio optimization
- Renewable energy

Continuing Momentum

As we approached our existing 2023 carbon emissions reduction goal, we focused on the development of a new goal facilitating long-term alignment with the Paris Agreement. As a financial institution, we recognize the need to quantify and report on the emissions related to our investment and lending activity under Scope 3. While this work is being done, our new goal will focus on the operations that we exercise direct control over, under Scope 1 and Scope 2.

Our new goal is to reduce our gross Scope 1 and Scope 2 location-based carbon emissions by **50%** by the end of 2030, using 2019 as our base year.

This goal was informed by the guidance given by the Science Based Targets Initiative and aligns with the Well Below 2°C ("WB2C") model. We chose 2019 as the base year because of the abnormalities in the usage of our facilities in 2020 due to the COVID-19 pandemic.

We have also adapted our existing action plan to accommodate our new goal. Specifically, we have targeted the following priorities in helping us reach our new goal:

Energy Use Reduction	Portfolio Optimization
• Enhancing and adding building automation systems • Upgrading to more energy-efficient equipment • Building or renovating sustainable branches	• Competitive real estate portfolio sizing

We look forward to reporting on our progress regarding this new goal in conjunction with our existing 2023 energy use reduction goal.

2020 Operational Metrics

At the end of 2020, Regions operated over ***1,300*** *banking offices and over* ***2,000*** *ATMs, spread across* ***15*** *states.*

Since developing our Environmental Sustainability Policy Statement, we have seen our operational impact decline across our footprint; we have also looked increasingly toward investments in energy efficiency, technology, and other areas that maintain this downward trajectory in GHG emissions and energy use. Our assessment of performance in these areas, as well as analyzing related trends, utilizes the Greenhouse Gas Protocol's absolute methodology.

Third-Party Assurance and Verification

To continue improving our transparency and the quality of our data, we have recently completed a third-party verification for our 2020 GHG inventory. We will make this report available on our website as soon as it becomes available.

ENERGY (as of December 31, 2020)	2020	2019	2018	2017	2016	2008
Energy-Efficient Investments ($ millions)	2.70	2.20	n/a	n/a	n/a	n/a
Building Energy Purchased from Grid (%)	91	91	n/a	n/a	n/a	n/a
Total Energy Consumption (MWh)	190,225	206,056	225,454	224,724	245,129	358,397
Electricity	174,076	186,622	204,073	210,362	227,875	325,756
Natural Gas	15,117	19,434	21,381	14,362	17,254	32,641
Other Combustion	914	n/a	n/a	n/a	n/a	n/a
Self-generated Renewables	119	n/a	n/a	n/a	n/a	n/a
Per 1,000 Square Feet*	16.13	18.96	20.31	19.35	20.80	27.10
Per Associate	9.80	10.53	11.29	10.35	11.06	11.64
Per Revenue	30.26	35.16	39.18	39.18	43.50	51.82

*Based on real estate square footage where we are responsible for paying utilities and maintain operational control.

SCOPE 1 + SCOPE 2 EMISSIONS (as of December 31, 2020)	2020	2019	2018	2017	2016	2008
Total Scope 1 Emissions (metric tons CO2e)	4,274	6,032	6,164	5,092	5,647	8,222
Natural Gas	2,740	3,508	3,860	2,593	3,115	5,893
Other Scope 1 Sources	1,534	2,524	2,304	2,500	2,532	2,329
Total Scope 2 location-based Emissions (metric tons CO2e)	75,606	92,321	102,979	105,978	115,498	196,264
Total Scope 2 market-based Emissions (metric tons CO2e)	72,563	92,321	102,979	105,978	115,498	196,264
Total Scope 1 + Scope 2 location-based Emissions (metric tons CO2e)	79,863	98,353	109,143	111,070	121,145	204,486
Per 1,000 Square Feet*	6.77	9.00	9.83	9.57	10.28	15.46
Per Associate	4.12	5.03	5.47	5.12	5.47	6.64
Per Revenue	12.70	16.78	18.97	19.37	21.50	29.57

*Based on real estate square footage where we are responsible for paying utilities and maintain operational control.

RESOURCE USE & WASTE (as of December 31, 2020)	2020	2019	2018	2017	2016	2008
Paper Recycled (pounds, millions)	11.9	8.3	10.1	11.4	12.3	n/a
Copy Paper Used						
Pages (millions)	87.2	128.9	158.3	192.0	216.7	n/a

NEXT STEPS

As this report illustrates, Regions continues to make meaningful progress in its efforts to address climate change. We firmly believe these foundational steps will support our pursuit toward sustainability in the future. Recent key achievements — such as conducting a climate scenario analysis, refreshing important climate metrics and targets, enhancing the role of climate sustainability within the strategic planning process, and maturing the process for identification of climate risks and opportunities — all provide powerful momentum to build upon as we learn more about the unique and evolving challenges around climate change.

Future internal developments at Regions will provide greater insights for Regions and transparency toward stakeholders into the impacts of climate change on our business; we plan to actualize these learnings in taking informed strategic action. Currently, our planned enhancements include:

1. Performing quantitative stress testing of our portfolio
2. Advancing a sustainable finance definition and methodology, as well as evaluation of a sustainable finance goal
3. Integrating climate factors into client-level risk assessments
4. Performing an annual refresh of ongoing scenario analysis
5. Measuring and evaluating our Scope 3 portfolio emissions
6. Expanding internal education and awareness of climate-related risks and opportunities
7. Effectuating the plan of action we have constructed to enable the achievement of our new combined Scope 1 and Scope 2 emissions reduction goal for 2030

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EQUAL HOUSING LENDER

(Rev. 6/21)