Regions Financial Corporation

TCFD REPORT

2021

REGIONS®

CONTENTS

This publication provides our 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, 2021 through December 31, 2021, 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 2021 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, 2022 (particularly the "Forward-Looking Statements" section); *2022 Proxy Statement*; 2021 Annual Review & ESG Report, including 2021 GRI Index and 2021 SASB Index; *Environmental Sustainability Policy Statement*; and *2021 CDP Climate Change Questionnaire Response*. All of these disclosures are available at *ir.regions.com* and our ESG-focused disclosures can also be accessed through our *ESG Resource Center*.

GLOSSARY OF TERMS AND ACRONYMS

TERM	MEANING
ATM	Automated Teller Machine
BMP	Best Management Practices
CDP	Formerly the Carbon Disclosure Project
CEO	Chief Executive Officer
CO2e	Carbon Dioxide Equivalent
ENRG	Energy and Natural Resources Group
ESG	Environmental, Social, and Governance
ESG/SRI	Environmental, Social, and Governance / Socially Responsible Investing
ESRM	Environmental & Social Risk Management
ETF	Exchange Traded Funds
FEMA	Federal Emergency Management Agency
Framework	Risk Management Framework
FSB	Financial Stability Board
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HVAC	Heating, Ventilation, and Air Conditioning
IRG	Investment Research Group
LED	Light-Emitting Diode
MWh	Megawatt Hour
NAICS	North American Industry Classification System
NCG	Nominating and Corporate Governance
NGFS	Network for Greening the Financial System
NRI	National Risk Index
NRRE	Natural Resources and Real Estate
PCAF	Partnership for Carbon Accounting Financials
PV	Photovoltaic
RAM	Regions Asset Management
SASB	Sustainability Accounting Standards Board
TCFD	Task Force on Climate-related Financial Disclosures

A Message From Our CEO

To our customers, associates, communities, and shareholders:

At Regions, our commitment to our corporate values to put people first, do what is right, focus on your customer, reach higher, and enjoy life, influences every decision we make. It drives how we operate our business, how we serve our customers and communities, and how we treat each other. These strong principles also provide guidance for the proactive approach Regions is taking to address the risks and opportunities presented by climate change. By actively identifying and monitoring environmental impacts to our operations and our customers, we are creating a foundation for more effective operations and better insight for prioritizing our strategic objectives. Ultimately, these synergies further our mission to achieve superior economic value for our shareholders by making life better for our customers, associates, and the communities we serve.

Regions remains strongly committed to continually evolving and executing our strategy to identify and mitigate climate change-related risks, 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. ESG efforts are a strategic focus for Regions, and it is imperative that these activities are further embedded within our culture. We continue to demonstrate progress by exceeding our GHG emissions and energy use targets originally set forth in 2018, as well as by announcing a new GHG emissions target in 2021. We have recently joined PCAF which represents another significant milestone. Also, we have continued our deliberate approach to investing in internal resources and capabilities and strengthening our processes across the company to ensure we are addressing climate change in a meaningful way. At Regions, we believe our role as a bank is a critical component of the transition to a lower-carbon economy through supporting our customers. This support can be accomplished by expanding our suite of products, as well as growing our existing sustainable finance activities that have already demonstrated a track record of success.

As we continue along our climate commitment journey, we believe it is important to keep our stakeholders apprised of our progress. We first issued our Corporate Sustainability Report, now our Annual Review & ESG Report, in 2017. We have since supplemented this central report with disclosures aligned with the GRI Standards, the industry-specific metrics developed by the SASB, and the CDP's Climate Change Questionnaire. The publication of our inaugural TCFD Report last year was a significant milestone, and this 2021 TCFD Report details the continued progression of the transparency around our sustainability efforts.

While we acknowledge that addressing the challenges presented by climate change will be a complex and ongoing process, I am excited about the steps we have already taken in that journey and invite you to review this TCFD Report to learn more about how our activities intersect with these risks and opportunities, and how capitalizing on such expertise 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 2022

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 respond to a changing environment. This includes supporting our customers' 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, efforts are underway to address the climate-related matters that we have deemed most significant to our business. Regions has developed objectives to prioritize environmental and climate change initiatives based upon recommendations from an internal, cross-departmental ESG Leadership Council and maintains an ESRM program team which leads and coordinates cross-functional partnerships on many of these initiatives. The ongoing implementation of these objectives is evidenced throughout this disclosure and continues to be effectuated at Regions.

These collective efforts are generally grouped into and informed by the three following strategic objectives at Regions:

STRATEGICALLY SUPPORTING OUR CUSTOMERS' TRANSITION TO A LOWER-CARBON ECONOMY

- Developing and enabling climate-competent bankers who can advise our customers and assist in navigating through an uncertain economic and political environment
- Focusing upon the future business environment and understanding longer-term needs to provide relevant offerings and develop new products to meet anticipated needs
- Aligning and leveraging capabilities and expertise across the bank to assess opportunities and provide synergies and prioritization
- Beginning efforts to measure our sustainable finance activities

INTEGRATION AND MATURITY OF CLIMATE RISK INTO THE RISK FRAMEWORK

- Further advancing our ESRM efforts to prioritize and effectively execute climate-related initiatives
- Continued integration of climate risk drivers into our existing Risk Framework to account for the unique risk's nature and enhanced focus and awareness
- Enhancing risk processes, such as scenario analysis and portfolio qualitative analysis, to measure and monitor climate risks
- Adoption of credit policy enhancements to strengthen climate and environmental risk management underwriting and monitoring of individual obligors in higher-risk industries and in the portfolio
- Enhancements to our third-party data subscriptions to allow for improved insights on potential physical or transition risk considerations of our customers and overall ESG evaluation as it pertains to credit and third-party risk management
- Continuous improvement of obligor-level climate risk assessment
- Focusing upon increased awareness and internal education to elevate the culture and expertise of our associates surrounding climate risks and opportunities

REDUCING OUR OPERATIONAL FOOTPRINT

- Continued emphasis upon reducing greenhouse gas emissions and energy use, including target-setting to promote measurement, reporting, and accountability
- Implementing new and innovative energy-efficient approaches within our existing and new facilities
- Ongoing engagement of a third-party to verify and assure our GHG measurements

This enterprise-wide approach serves as the foundation for our commitment to addressing the climate-related risks and opportunities and promoting further progress towards sustainability. It has enabled the successful execution of the following accomplishments which are described in more detail throughout this TCFD Report:

- Joined PCAF and established a cross-functional project operating model to pursue portfolio and sub-sector measurement of financed emissions
- Implemented an ESG Leadership Council to provide ESG oversight and guidance
- Enhanced ESG portfolio analysis capabilities, including addition of an ESG Credit Portfolio Manager
- Enhanced credit policy to incorporate increased diligence in underwriting and monitoring of higher environmental and climate transition risk industries as well as portfolio-level reporting
- Deepened integration of ESG risks into enterprise risk framework and enhanced visibility of climate-related risks
- Expanded geospatial analysis to enrich physical risk assessment, including our credit portfolio and operational facilities
- Continued growth of innovative sustainable finance products to promote clean energy solutions
- Increased branch and office efficiencies to reduce energy usage
- Achieved energy usage target early
- Ongoing industry research on transition and climate risk implications, including sharing with our customers

THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The 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." 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. Also, these TCFD themes are used to inform and guide the development of certain internal processes, such as executing insightful scenario analysis exercises and considering how to develop relevant metrics and targets. Furthermore, the TCFD framework continues to be widely recognized across domestic and international bodies as a foundational standard for developing various climate disclosure requirements so our efforts internally are focused upon this TCFD alignment.

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. We continue to monitor and consider availability of third-party data and customer data sources which can strengthen our use of quantitative approaches.

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 2021 Annual Review & ESG Report is being released in conjunction with this TCFD Report. This TCFD Report provides an overview of Regions' efforts to address climate change and disclose information according to the TCFD's recommendations. We began the process of developing TCFD-compliant disclosures in the 2019 Annual Review and ESG Report, which contained a section where we reorganized a portion of the report's content to align with the TCFD Recommendations. Last year served as a significant milestone for Regions by publishing our first stand-alone TCFD Report. We are excited to provide an update on the progress made over the last year to our stakeholders with the 2021 TCFD Report.

Regions maintains an ESG Resource Center as a centralized site for relevant ESG reports, data, and policies for interested stakeholders. 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 maintains our membership in the Ceres Company Network, a sustainability-focused cohort, which we joined 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 achieves another 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
- Reached 2023 Scope 1 and Scope 2 greenhouse gas emissions reduction goal, three years ahead of schedule (as of year-end)

2021
- Established the management-level ESG Leadership Council
- Released first stand-alone TCFD Report
- Announced new Scope 1 and Scope 2 greenhouse gas emissions reduction goal for 2030
- Obtained external assurance of greenhouse gas emissions inventory
- Reached 2023 energy reduction goal, two years early (as of year-end)

2022
- Joined PCAF

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 as follows:

FULL BOARD

Board of Directors

- Strategic Plan, including environmental objectives
- Annual budget, including environment-related investments
- Capital planning, including environment-related expenditures

BOARD COMMITTEES

NCG Committee

- Environmental strategies, initiatives, policies, and practices
- Voluntary environmental disclosures
- Stakeholder engagement on environmental issues

Risk Committee

- Environmental alignment within Enterprise Risk Appetite Statement, Risk Management Framework, and Risk Library
- ESRM Program

Audit Committee

- Functioning of internal controls and disclosure, including disclosure of material environmental matters

Technology Committee

- Role of technology in executing business strategy, including within operations, performance, innovation, management activities and communications

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 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. Among our current Board membership, eight of our Directors have assessed their own competency in environmental sustainability practices as either "considerable" or "extensive." These self-evaluations are discussed in more detail in the "Proposal 1 – Election of Directors" section of 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 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, policies, and practices 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 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. More direct references to environment-related risks were integrated into our Risk Library and enterprise-wide risk tolerance for ongoing assessment; 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 our evolving financial disclosures on climate-related risks. These include our annual and quarterly financial reports as well as our earnings releases. Their oversight responsibilities also entail reviewing the effectiveness of internal controls we apply to these disclosures, such as reviews of our environmental reporting performed by our Internal Audit team.

TECHNOLOGY COMMITTEE. The Board's Technology Committee was formed in **February 2022** to oversee the role of technology in executing the Company's business strategy, including operations, performance, innovation, management activities, and related communications. We anticipate that this function will impact our environmental sustainability considerations and strategy going forward.

The Board and its committees received numerous presentations throughout 2021 to support their oversight efforts, including:

- The integration of environmental risks into our enterprise-wide risk management approach through our Risk Management Framework and Risk Library
- Environmental risks and opportunities identified through our strategic planning process
- Our goals to reduce our operational emissions and energy use, along with our progress toward these goals and the initiatives we have established to help us achieve them
- Articulation of multiple elements of our broader environmental sustainability strategy in our Environmental Sustainability Policy Statement
- Board-level representation of expertise in environmental sustainability practices
- Relationships between our ongoing initiatives and emerging environmental risks and opportunities deemed relevant to our business
- How we leverage our scenario analysis methodology to assess climate-related physical and transition risk exposures
- Future initiatives we have developed to continue enhancing the identification, measurement, mitigation, monitoring, and reporting of environmental risks
- Engagement with shareholders and other stakeholders on environmental issues
- Opportunities available to Directors for climate-related education
- Continuing developments in regulatory expectations around climate disclosure

MANAGEMENT OVERSIGHT

Our sustainability commitments and initiatives are led 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 Strategy 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 OVERSIGHT

Executive Leadership Team

- Evaluates environmental considerations within strategic planning
- Oversees ESG Leadership Council
- Consists of senior management

ESG Leadership Council

- Maintains aggregated view of environmental risks and opportunities, leveraging internal and external inputs
- Provides guidance and direction on internal initiatives

Disclosure Review Committee

- Reviews environmental disclosures in SEC reporting
- Provides feedback on voluntary environmental disclosures

Risk Governance Committees

- Monitor environment-related updates to Risk Library
- Review environmental metrics' performance to assess adherence to risk tolerance
- Supervise enterprise risk assessments incorporating environmental risks

Management established the ESG Leadership Council in 2021 that convenes regularly to consider, discuss, and provide guidance on initiatives aimed at environment-related risks and opportunities from a variety of standpoints. The cross-functional Council is overseen by the Company's Executive Leadership Team, thus providing an additional layer of management-level administration.

Examples of oversight activities conducted and topics reviewed by the ESG Leadership Council include:

- **Review of business segments and initiatives through which we are demonstrating our environmental commitments**
- **Connections between emerging and ongoing environmental risks and our risk culture, processes, and governance**
- **Breakdown of methodology and assessment factors used in scenario analysis process**
- **Elements of strategic plan demonstrating the integration of environmental factors and considerations**
- **Programmatic deep dives on key environmental strategic efforts, such as work related to sustainable finance and PCAF commitment**
- **Ongoing updates on the status of environmental disclosures, as well as broader industry and regulatory developments**

Management-level committees are an integral part of our risk governance framework and serve a valuable purpose in ensuring appropriate governance of Company activities.

These risk governance committees at the management level and underlying cross-functional collaboration 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. Oversight activities were strengthened in 2021 due to the enhanced visibility and increased reporting of ESG risks throughout governance.

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

- **Review of updates to the risk library to account for climate risk, including risk additions and modifications to existing risks**
- **Review of metric performance against target levels to assess adherence to risk tolerance and pursuit of strategic goals**
- **Review of risk assessments, such as enterprise risk assessments that encompass the entire risk library for each defined risk type**
- **Review and prioritization of ESG strategic initiatives, including progress updates and outcome review to inform materiality considerations and ongoing resource allocation**
- **Review of alignment of business strategy with desired risk appetite as both strategy and appetite evolve to account for material risks, including climate risks**

Regions appointed an ESG Credit Portfolio Manager in 2021 to build and monitor risk management activities through credit policy, portfolio risk assessments, and examination of borrower-level considerations, as well as to participate in cross-functional workstreams to identify and assess environmental and climate risks and opportunities throughout the Bank's portfolios.

Also, Regions developed an ESRM function in late 2020 and has since strengthened it with dedicated resources who perform project management and progress monitoring for the cross-functional ESRM team efforts.

Management also implements environmental directives that are considered initially at the Board level. The aforementioned Environmental Sustainability Policy Statement affirms 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. The Environmental Sustainability Policy Statement, Human Rights Statement, and Supplier Code of Conduct are available on our ESG Resource Center and at ir.regions.com/governance.

RISK MANAGEMENT

RISK FRAMEWORK

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

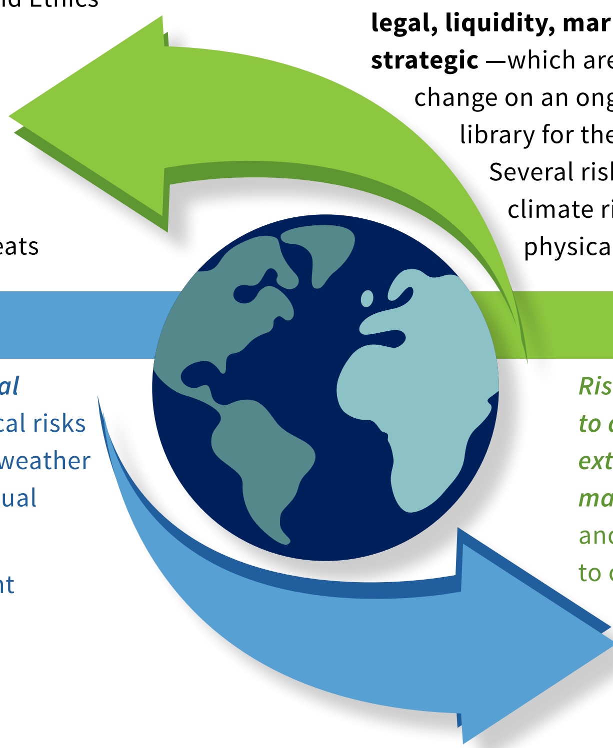
The impact of climate change is recognized by industry observers as an emerging risk, but uncertainty remains as to the magnitude and timing of climate risk exposure, which is complicated by the lack of relevant historical data to guide future performance. Additionally, stakeholder expectations for managing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

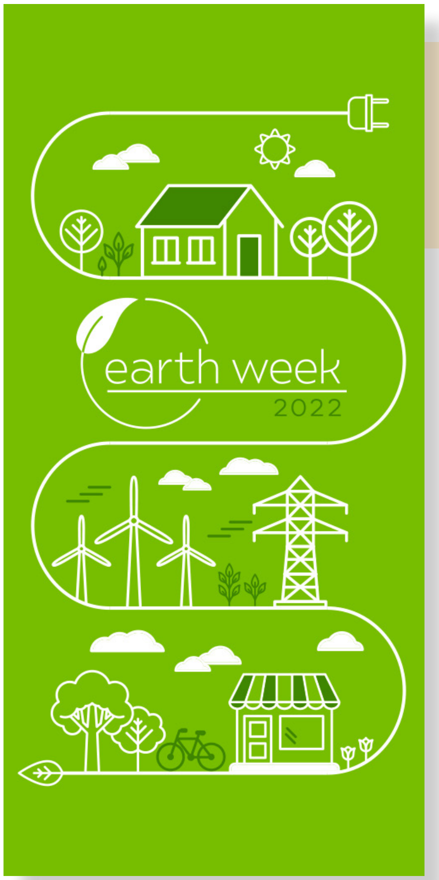
Risks associated with the physical effects of climate change. Physical risks may be acute impacts (extreme weather events) or chronic impacts (gradual changes). Examples include:

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

Transition Risks

Risks associated with the transition to a lower-carbon economy, and entail 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



To promote ESG integration within our culture, we continue to emphasize 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 that are widely disbursed throughout the Company. 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. We have begun to receive and respond to several client inquiries on climate risks and opportunities, to which our bankers have readily responded with industry research and knowledge of evolving best practices from both internal and external sources. Furthermore, 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, including publishing a reccurring newsletter with recent regulatory events, best practices, research headlines and updates on internal initiatives.

Assessment and Measurement

Risk assessments are an essential tool to identify material risks and measure adherence to risk appetite. Risk assessments are completed for risks within the risk library, including climate risks, 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 routinely reviewed by committees to monitor risk performance.

We continue to develop our approach to measuring climate-related risks. We have developed tools and processes to internally review 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 enhanced our credit policies to include those considerations. Loan portfolio analysis is described in further detail in the *Strategy* section of this disclosure.

Regions is developing new approaches to quantitatively measure climate risks in the loan portfolios, including enhancing our client-level borrower assessment to embed additional environmental factors into underwriting and monitoring for high environmental or transition risk obligors. 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.

THREE LINES OF DEFENSE

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 RISK EXAMPLES

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 catastrophe at a client's facilities driven by a natural disaster	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

RISK MITIGATION STRATEGIES

RISK APPETITE. Climate change risk tolerance is a key focus for leadership, and each 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 2021 refresh of risk appetite further aligned our commitment to climate change risk management while also creating shared value with our customers, associates, shareholders, communities, regulators, and suppliers.

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 and elevated approval requirements on coal mining and coal-related activities serve as an example of how we are tailoring our portfolio to address these risks. 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. For example, we recently strengthened our credit policy regarding the identification, assessment, and reporting of environmental and climate transition risks and risk concentrations in the business services portfolio.

CREDIT PORTFOLIO MANAGEMENT. Regions' Credit Portfolio Management team continues to develop new analytical capabilities to integrate environmental considerations within its existing risk processes. Further information and examples of these capabilities are provided in greater detail in the *Strategy* section.

GEOSPATIAL ANALYSIS. Regions' Spatial Intelligence team leverages geospatial analytics to help the bank understand the impact of climate change to our company and its customers under different scenarios. We have focused upon improving technology in place to assess damage and potential exposures to our credit portfolio from weather events. As our methodology for evaluating the impact of physical risks has continued to evolve and improve, we made several enhancements to the overall approach over the past year. This has been especially important in the analysis of sea level rise and its impact on Regions. Following our initial analysis of sea level rise across various hypothetical scenarios, we identified the need to understand the depth of actual inundation at each of our sea level rise scenario levels at a more precise level. We engaged our location technology vendor to help us build a new process that would utilize the high resolution raster-based sea level rise surface data developed by the National Oceanic and Atmospheric Administration instead of the previously used vector-based datasets. Working with our location technology vendor, we built out the new process and deployed the results within a web dashboard allowing users to navigate through impact to the various points of interest to Regions. This capability includes the ability for a user to evaluate any depth between 1 and 10 feet of sea level rise. Other improvements include usage of the NRI data from FEMA in order to evaluate points of interest against other physical risks such as tropical weather, tornado, wildfire, earthquake, drought, coastal flooding, non-coastal flooding and winter weather.

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.

BUSINESS CONTINUITY. Climate change could impact Regions' facilities, operations, and associates through more frequent and 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. Key planning is required for loss of facility, loss of personnel, loss of technology, and loss of critical third-parties. 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 timely post-storm assessment of damages to our facilities and subsequently 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.

STRATEGY

INTRODUCTION

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 risk assessment methodologies and data mature. We continue to evaluate third-party data sets and potential vendors and partnerships with the objective of strengthening our data-driven approaches. For example, this can be seen by our joining PCAF to take advantage of the consortium's data and methodologies for the measurement of financed emissions; or by the onboarding in 2022 of new third-party data sets to support our assessment of physical and transition risks.

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

Strategic Planning at Regions

REGIONS' CORPORATE STRATEGY IS DRIVEN BY A SINGLE MISSION:

Achieve superior economic value for our shareholders over time by making life better for our customers, associates and communities and creating shared value as we help them meet their financial goals and aspirations.

As the development for the strategic plan occurs across the company, Regions incorporates strategic pillars from the enterprise-level down to the business group level plans to ensure alignment and synergies going forward. For the creation of our most recent strategic plan, ESG was highlighted within this strategy to support our core competencies. This process included integrating ESG templates to the business group and support function level to promote the development of ESG 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. This ensures that an ESG focus, including climate-related risks and opportunities, is deeply integrated into our strategic plans. The ESG elements of the strategic plan were vetted and shared through the ESG Leadership Council during the planning process and following approval by the Board of Directors. We continue to monitor progress against those plans.

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.

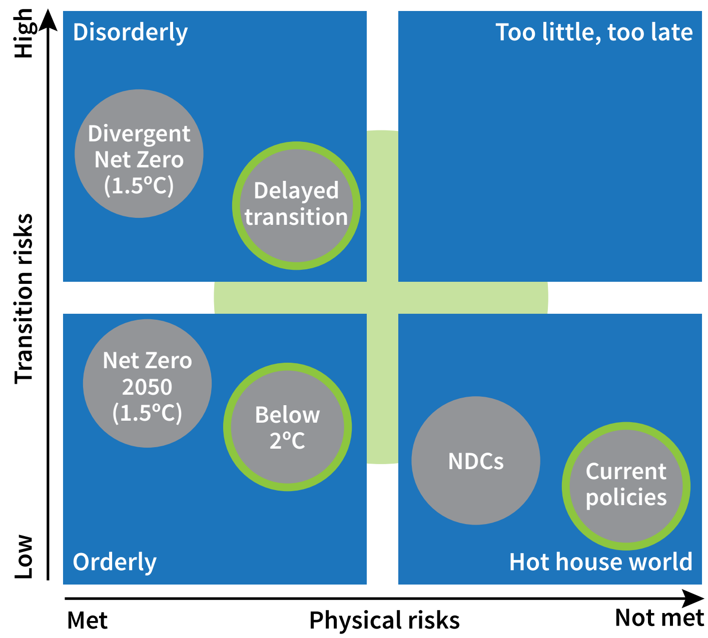
Considering the uncertainty and the longer time horizons associated with climate-related risks, we have leveraged scenario analysis to frame our climate change risk assessments and have incorporated this as an annual exercise within our scenario analysis program. Applying a set of hypothetical climate 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' NGFS that depicted different transition paths representing various policy actions and timeframes. These scenarios are consistent with the NGFS scenarios selected by Regions in the previous year. 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 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.

THESE SCENARIOS INCLUDED:

SCENARIO TYPE	SCENARIO NAME	DESCRIPTION
Orderly	Below 2°C	Gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C.
Disorderly	Delayed Transition	Assumes annual emissions do not increase until 2030. Strong policies are needed to limit warming to below 2°C. CO2 removal is limited.
Hot House World	Current Policies	Assumes that only currently implemented policies are preserved, leading to high physical risks.

NGFS Scenarios Framework



Positioning of scenarios is approximate, based on an assessment of physical and transition risks out to 2100.

ASSESSMENT OF CLIMATE RISKS

IMPACT OF TRANSITION RISKS ON OUR COMMERCIAL & INDUSTRIAL PORTFOLIOS. As part of the analysis of transition risks in our portfolio, Regions continues to expand its capabilities and techniques to provide additional insights. In conjunction with the selected NGFS scenarios, Regions leverages an internal, qualitative assessment of transition risk at the NAICS code level to develop portfolio, sector, and industry views of hypothetical incremental expected loss under both the **"Below 2°C"** and **"Delayed Transition"** scenarios, assuming a portfolio composition similar to that of the present state.

Regions also considers additional layers of non-climate related credit risk at the obligor level as factors which could augment climate-related stresses. These non-climate risk layers include, but are not limited to, negative or vulnerable industry outlooks, enterprise value reliance, policy exceptions, and risk rating considerations. As a general proposition, we have found that as risk layers accumulate, probabilities of default rise even in the absence of climate stress. Consequently, our scenario analysis process contemplates that as climate transition stresses manifest, risk layer accumulation could incrementally impact those stresses. We believe that the inclusion of these stressors in our climate scenarios provide nuanced differentiation in the hypothetical impacts of transition risk in the portfolio and provides value to management in their consideration of these risks.

Regions also conducted a deep dive analysis of the Commercial & Industrial loan portfolio focusing on the NAICS codes assessed to be most sensitive to climate transition risk. This work included, but was not limited to, a review of traditional credit metrics, concentrations, risk migration data, available peer data, geographical views, charge-offs, and insights by loan type and vintage. The results of scenario analysis and the Commercial & Industrial transition risk deep dive are shared with management to help inform relevant risk management strategies.

SUMMARY FINDINGS	TAKEAWAYS AND NEXT STEPS

SUMMARY FINDINGS

- We focused on a hypothetical Disorderly scenario designated as “Delayed Transition” by the NGFS, since that type of scenario would be most relevant for the assessment of transition risks in our Commercial & Industrial portfolio.
- The two sectors most exposed to a “Delayed Transition” scenario are Energy and Transportation & Warehousing, which cumulatively represent **11.3%** of the Commercial & Industrial loan commitments and **10.5%** of outstanding Commercial & Industrial balances, as of December 31, 2021. 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 moderate to no impact should there be an acceleration in the transition to a lower-carbon economy.
- Overall, we qualitatively assess the sensitivity of our Commercial & Industrial portfolio to transition risk as moderate in the medium term, if events occurred in a manner similar to the “Delayed Transition” scenario.

TAKEAWAYS AND NEXT STEPS

- Continue engaging with our customers and supporting them in the transition to a lower-carbon economy.
- Continue to develop assessments at the obligor level, with initial focus on the industries identified as more vulnerable to transition risks.
- Focus on the identification of additional opportunities in the transition to a lower-carbon economy to support our customers, enhance our position in eventual “Delayed Transition” and “Below 2°C” 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 and start using the new data sets onboarded in 2022.

COMMERCIAL & INDUSTRIAL PORTFOLIO AND SENSITIVITY TO CLIMATE CHANGE TRANSITION RISK

(December 31, 2021)

Commercial & Industrial Sectors*	Outstanding Loan Balances ($ bn)	Outstanding Loan Balances (%)	Total Commitments ($ bn)	Total Commitments (%)	Sensitivity to Transition Risk (**)
Administrative, support, waste and repair	$ 1.5	% 3.5	$ 2.6	% 3.5	
Agriculture	0.3	0.8	0.6	0.8	
Educational services	3.0	7.1	3.9	5.2	
Energy	1.4	3.2	4.0	5.3	
Financial services	5.6	13.3	11.5	15.1	
Governmental and public sector	2.8	6.8	3.4	4.4	
Healthcare	3.9	9.3	6.2	8.1	
Information	1.9	4.6	3.2	4.2	
Manufacturing	4.6	11.0	8.9	11.7	
Professional, scientific and technical services	2.2	5.3	3.6	4.8	
Religious, leisure, personal and non-profit services	1.7	4.1	2.5	3.2	
Restaurant, accommodation and lodging	1.7	4.0	2.1	2.7	
Retail trade	2.2	5.4	4.6	6.0	
Transportation and warehousing	3.0	7.2	4.6	6.0	
Utilities	2.1	5.1	5.0	6.6	
Wholesale goods	3.8	9.0	6.9	9.1	
Other	0.1	0.3	2.5	3.3	
Total Commercial & Industrial Portfolio* **	**$ 42.0**	**% 100**	**$ 76.1**	**% 100**	

(*)Commercial & Industrial portfolio sectors, excluding Real Estate which includes Real Estate Investment Trusts (which are unsecured Commercial and Industrial products and real estate-related)

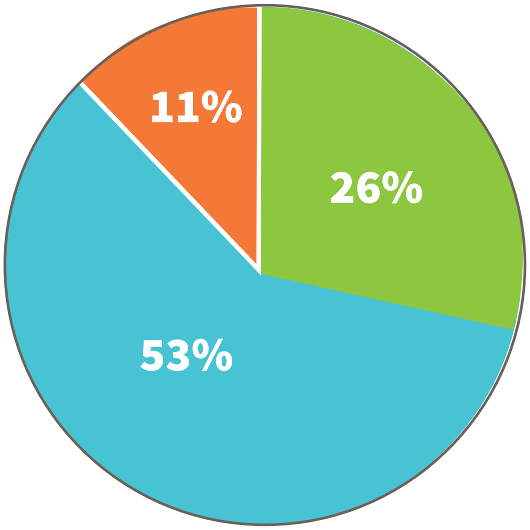
(**)Sensitivity to transition risk in terms of likelihood of negative rating migration in a disorderly transition scenario to a lower carbon economy.

(***)Total amounts reported may not sum due to rounding.

Sensitivity to Transition Risk in Disorderly Scenario Legend

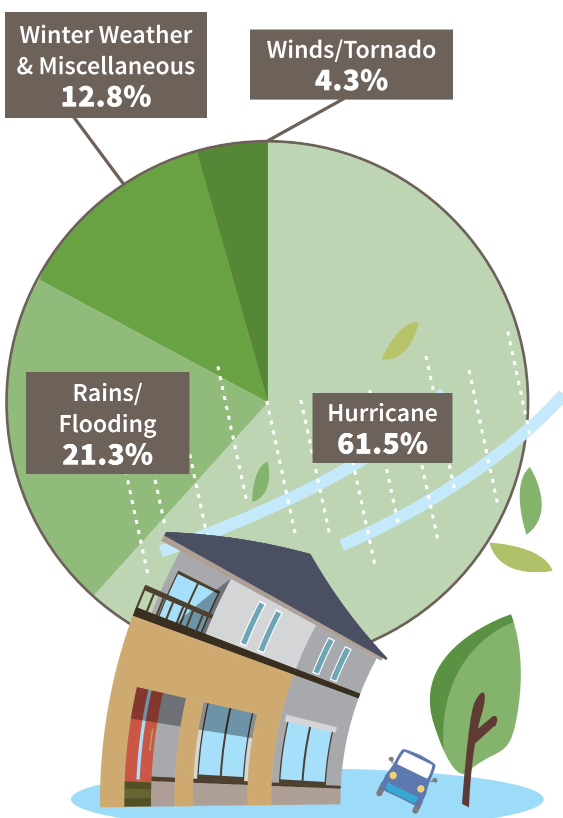
- No expected impact
- Moderate sensitivity
- Sensitivity significant enough to cause negative rating migration in more than 25% of the subportfolio

COMMERCIAL & INDUSTRIAL PORTFOLIO SENSITIVITY TO CLIMATE CHANGE TRANSITION RISK:
Aggregated Sector Assessment



- No expected sensitivity
- Moderate sensitivity
- Sensitivity significant enough to cause negative rating migration in more than 25% of the subportfolio

WEATHER-RELATED NET OPERATIONAL LOSSES
2013 – 2021



Impact of Physical Risks on Our Business Operations

SUMMARY FINDINGS

- Existing business resilience processes, investments in monitoring tools, and disaster response tools are effective, but Regions continues to look for improvement opportunities.
- Weather-related operational losses averaged **$3.6 million** per year between 2013-2021, with approximately **62%** of those losses being hurricane related.
- Acute and chronic physical risks could significantly increase under a “Current Policies”-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 potentially affected branches and other corporate facilities. Utilizing a two-foot sea-level rise projection, Regions determined that only one banking office would potentially be inundated and there is no impact to critical facilities.

TAKEAWAYS AND NEXT STEPS

- Continued investments in technology and digitalization is a climate risk mitigating factor by leveraging enhanced mobile and online banking capabilities for our customers, and by supporting remote work capabilities and geographic diversification of workforce.
- Continue to monitor and assess the community and lending impacts of branch location decisioning when integrating weather impacts into the decision models.
- Incorporate climate change elements into assessments of potential changes to current business resilience designs.
- Continue monitoring the severity and frequency of weather events and climate-related physical risks in general.
- Continue enhancements to geospatial data and analytics, including layering additional weather-related factors, such as hurricane, drought, and tornado risk ratings, into the analysis of various locations impacts.
- Continue monitoring weather events’ impact to insurance premiums.
- Consider incorporating risk assessments into the mergers and acquisitions process for evaluating the potential climate-related impacts to Regions based upon a new geographic footprint as applicable.

Impact of Physical Risks on Our Real Estate Portfolios

In assessing physical risk to our real estate portfolios, we primarily focused on the “Current Policies” scenario designated by the NGFS and applied a hypothetical sea level rise of two feet occurring by approximately 2050. The “Current Policies” scenario assumes that only currently-implemented policies are preserved, leading to a failure to globally address climate change. In this scenario, we examined the potential impacts (from minor to significant) to the consumer and commercial real estate portfolios, using the current composition of those portfolios as a baseline and projecting sea level rise using our in-house geospatial analysis capabilities. We also examined potential impacts in a similar manner with the “Delayed Transition” and “Below 2°C” scenarios.

SUMMARY FINDINGS	TAKEAWAYS AND NEXT STEPS
• According to our analysis, hypothetical sea level rise of two feet would impact less than **1%** of either our consumer or commercial real estate portfolios. • The projected impact to the portfolios decreased significantly from our prior year analysis due in large part to the enhancements we have made to our geospatial analysis capabilities during 2021, previously described within this report, which allow us to explore sea level rise impacts with greater accuracy. • Subject to material inherent uncertainty, associated chronic physical risks could start manifesting well beyond the tail end of our long-term horizon (2050). • Similarly, the “Delayed Transition” and “Below 2°C” scenarios would not be expected to have a material impact on the physical risks related to the real estate portfolios, as the physical risk implications are less severe in those scenarios than in the “Current Policies” scenario. • Overall, we qualitatively assess the sensitivity of our consumer and commercial real estate portfolios to physical risks as low in the short, medium, and long terms. This assessment is subject to change as our analysis capabilities continue to develop, the composition of our real estate portfolios changes, and climate science progresses.	• 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 layering additional weather-related factors such as hurricane, drought, and tornado risk ratings to analysis of our various real estate locations. • Monitor mortgage insurance premiums and availability. • Explore mitigation strategies.

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 by providing sustainable investing or financing offerings related to their transition to a sustainable future. We have seen growth in our sustainable lending areas in the past few years and have developed a sustainable finance definition and measurement methodology, which we are piloting and monitoring. We expect to disclose a sustainable finance definition and measurement methodology in the future, as well as evaluate the development of a sustainable finance goal.

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.

As part of our bank's strategic focus, we intend to develop more climate competent bankers to ensure we can support and enable our customers through increasing the number of sustainable financing offerings.

As previously mentioned, Regions is currently developing an enterprise program to define and measure sustainable finance activities within the company, including products, offerings, and other business activities that support the environment and climate transition, as well as community development and inclusive growth. We engaged with customer and community partner-facing stakeholders across all of our lines of business and various support units to develop a definition for Sustainable Finance we are socializing internally within the first half of 2022. These conversations have uncovered how we are already meeting the needs of our customers with interest in sustainable investments and lending and the interest appears to be growing. As a part of this program, we have also engaged in the assessment of various methodologies and measurement processes to better inform next steps for Regions' sustainable finance reporting.

For example, Regions directly supports the development and implementation of clean energy solutions through multiple avenues, including our Solar Tax Equity Finance Team, ENRG, and solar and energy efficiency lending through our recent EnerBank acquisition.

SOLAR TAX EQUITY FINANCE TEAM. 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 **70** different projects, in excess of **$1.5 billion**. In 2021, the Solar Tax Equity Finance Team provided **$216.5 million** in funding for PV solar projects located across the country. The aggregate capacity of the farms in the portfolio exceeds 900 Megawatts dc which in 2021 generated **1,163 Gigawatt** hours.

ENERGY AND NATURAL RESOURCES GROUP. Regions supports the development and implementation of clean energy solutions through ENRG, which specializes in tailored financing products and services for solar/renewable energy products. In 2021, ENRG committed or closed over **$627 million** in ESG-related financings, including:

- **$383 million** of sustainability-lined corporate financings
- **$164 million** in solar project financings
- **$50 million** of renewable natural gas construction facilities. These projects capture landfill methane emissions and convert them to a cleaner-burning type of natural gas
- **$30 million** in renewable corporate credit facilities

ENRG also served as a co-manager in **$1.43 billion** senior notes offerings supporting clean water/wastewater infrastructure and sustainability notes.

ENERBANK SOLAR. Regions' acquisition of EnerBank in October 2021 created a significant opportunity to capture additional solar and energy efficient financing options for consumers nationwide. Utilizing industry leading point-of-sale capabilities, over **$740 million** in consumer home improvement projects for energy efficient projects were financed in 2021 by EnerBank. Projects included energy efficient HVAC systems, solar panel installations, and new window and door installations that provide homeowners improved efficiencies.

Other products and offerings from Regions that support our customers and provide benefits to the environment include ESG-focused investment offerings and sustainable timber management activities.

Responsible Asset Management

The RAM 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.

RAM DEVELOPED A FIRM-WIDE ESG/SRI PHILOSOPHY IN 2020

At that time, Regions launched a Sustainable equity and fixed income model, and at year-end 2021, had **$54.3 million** in assets tied to them.

The IRG launched a sustainable model in February of 2021 populated by third-party mutual funds and ETFs, and that model had **$11.4 million** in assets as of year-end 2021.

Also of note, the IRG's list of actively managed recommended funds available for client investment that the team classifies as **Impact**, **Sustainable**, or **Responsible** continues to grow.

At year-end 2021, the funds stood at **43**, an increase of **four** from the prior year as the implementation of RAM's firm-wide ESG/SRI philosophy led us to reclassify some recommended funds as **Responsible** or **Sustainable**.

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 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 our clients' timberland located across Regions' footprint.

Regions manages every acre of timberland in accordance with **State BMP 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 Sustainable Forestry Initiative 2022 Forestry Management Standard or the American Tree Farm 2021 Standard of Sustainability Certification 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.

METRICS AND TARGETS

INTRODUCTION

As detailed previously within this report, development of Regions' environmental strategy relies on the identification of risks and opportunities to drive strategic initiatives. This strategy considers all three scopes of 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. At this stage in our journey, we have historically been focused upon measuring emissions within our operational footprint that are generally categorized as Scope 1 and Scope 2 emissions. An important benefit of measuring our emissions is the ability to develop targets and manage our performance against these targets. These goals are listed below.

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, and as previously mentioned, Regions has initiated the process to develop new methodologies for measuring and evaluating our Scope 3 portfolio and sector-specific emissions. 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.

REGIONS' OPERATIONAL FOOTPRINT: Scope 1 and Scope 2 Emissions

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.

GREENHOUSE GAS EMISSIONS. 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 announced a new Scope 1 and Scope 2 GHG emissions reduction goal for 2030 in our prior year TCFD Report and progress toward that new 2030 goal is highlighted in the following chart.

ENERGY USE. We achieved our YE 2023 reduction target for energy use in 2021. To ensure that ongoing improvements continue and further reduction is sustained, Management will develop additional targets to monitor performance.

TARGETS FOR REDUCING OPERATIONAL FOOTPRINT					
Target Area	Scope	Unit of Measurement	Reduction Target	Year-End 2021 Reduction Percentage From Baseline	Status
Gross Scope 1 and Scope 2 GHGs (Location-Based)	Real estate where Regions is responsible for paying utilities and maintains operational control	Metric Tons of CO2e	50% Reduction by 2030 against a 2019 baseline	33%	On Track
Energy Use	Electricity and natural gas usage in metered space	MWh	30% Reduction by 2023 against a 2015 baseline	34%	Completed

In order to achieve our progress, we have executed upon many existing initiatives while developing new innovative approaches, including:

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

Our updated GHG goal, set in 2021 and set forth in the prior year TCFD Report, 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 model. We chose 2019 as the base year because of the abnormalities in the usage of our facilities in 2020 due to the pandemic.

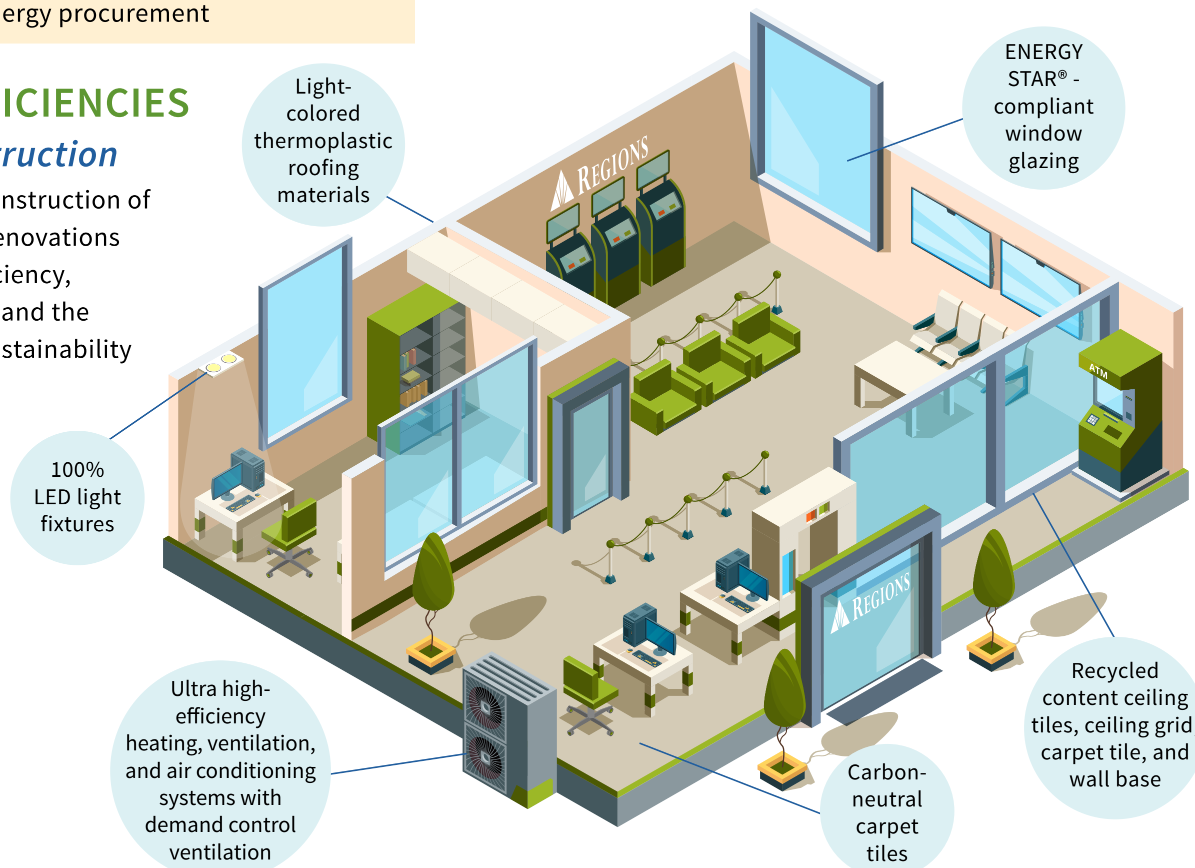
We have also adapted our existing action plan to accommodate plans for further emissions reduction. Specifically, we have targeted the following priorities in our branches to help us reach our updated goal.

Implementation of automated smart panels to control branch utilities continues to contribute to decreases in energy usage.

BRANCH EFFICIENCIES

Building Construction

Our standards for construction of new branches and renovations focus on energy efficiency, water conservation, and the adoption of other sustainability building practices.



2021 Operational Metrics

*At the end of 2021, Regions operated over **1,300** banking offices and over **2,000** ATMs, primarily spread across the South, the Midwest, and Texas.*

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.

ENERGY (as of December 31, 2021)	Units	2021	2020	2019	2018	2017	2016
Energy-Efficient Investments (millions)	$	4.50	2.70	2.20	n/a	n/a	n/a
Building Energy Purchased from Grid	%	90	91	91	n/a	n/a	n/a
Total Energy Consumption*	MWh	170,935	190,225	206,056	225,454	224,724	245,129
Electricity	MWh	153,812	174,076	186,622	204,073	210,362	227,875
Natural Gas	MWh	15,992	15,117	19,434	21,381	14,362	17,254
Other Combustion	MWh	833	914	n/a	n/a	n/a	n/a
Self-Generated Renewables	MWh	298	119	n/a	n/a	n/a	n/a
Per 1,000 Square Feet	MWh	15.53	16.13	18.96	20.31	19.35	20.80
Per Associate**	MWh	8.71	9.80	10.53	11.29	10.35	11.06
Per Revenue	MWh	26.55	30.26	35.16	39.18	39.18	43.50

*Based on real estate square footage where we are responsible for paying utilities and maintain operational control.
**All per-associate figures in this report are based on the number of full-time equivalent employees at year-end.

SCOPE 1 + SCOPE 2 EMISSIONS (as of December 31, 2021	Units	2021	2020	2019	2018	2017	2016
Total Scope 1 Emissions	Metric Tons CO2e	4,800	4,274	6,032	6,164	5,092	5,647
Natural Gas	Metric Tons CO2e	2,899	2,740	3,508	3,860	2,593	3,115
Other Scope 1 Sources	Metric Tons CO2e	1,901	1,534	2,524	2,304	2,500	2,532
Total Scope 2 Location-Based Emissions	Metric Tons CO2e	60,517	75,606	92,321	102,979	105,978	115,498
Total Scope 2 Market-Based Emissions	Metric Tons CO2e	56,715	72,563	92,321	102,979	105,978	115,498
Total Scope 1 + Scope 2 Location-Based Emissions	Metric Tons CO2e	65,317	79,863	98,353	109,143	111,070	121,145
Per 1,000 Square Feet*	Metric Tons CO2e	5.93	6.77	9.00	9.83	9.57	10.28
Per Associate**	Metric Tons CO2e	3.33	4.12	5.03	5.47	5.12	5.47
Per Revenue	Metric Tons CO2e	10.15	12.70	16.78	18.97	19.37	21.50

*Based on real estate square footage where we are responsible for paying utilities and maintain operational control.
**All per-associate figures in this report are based on the number of full-time equivalent employees at year-end.

Scope 2 GHG Emissions are Reported in Two Ways: Location-based and Market-based.

LOCATION-BASED	MARKET-BASED
Location-based Scope 2 emissions represent our emissions that are based on emissions factors from the geographic region and/or utility grid in which a specific asset is operated. The only way to reduce Scope 2 location-based emissions is to reduce the amount of energy consumed or if the associated emissions factor is reduced.	Market-based Scope 2 emissions represent our emissions that allow for the inclusion of contractual instruments such as renewable energy credit, carbon offsets, or other energy procurement mechanisms that may come with supplier-specific emissions factors. If there are no applicable instruments within a reporting year, then location-based emissions will equal market-based emissions.

Third-Party Assurance and Verification

To continue improving our transparency and the quality of our data, we recently completed a third-party verification for our 2021 GHG inventory. This report is available on our website.

WASTE-PAPER USE (as of December 31, 2021)	Units	2021	2020	2019	2018	2017	2016
Pages of Copy Paper Purchased (millions)	Pages	80.5	87.2	128.9	158.3	192.0	216.7
Pound of Paper Recycled (millions)	Pounds	13.7	11.9	8.3	10.1	11.4	12.3

PAPER AND DIGITAL USE 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 purchased by 8 percent from 2020, including purchasing 99.5% of paper from Forest Stewardship Council certified suppliers. We also continued to encourage customers to shift to online and mobile banking, and to receive their account documentation electronically. We continue to increase the use of eSignature at the bank by expanding to an additional 9 groups in 2021, including 61 new forms. eSignature allows customers to digitally sign documents as well as provide electronic delivery of completed documents.

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 7 percent from last year, with 3.1 million active digital customers and more than 1.1 billion digital logins in 2021. Regions finished the year with a mobile app rating at 4.8 out of 5. This is a direct result of numerous enhancements to our mobile platform made over the last couple of years, which allow us to deliver innovative features and functionalities to make banking easier for our customers. 2021 active mobile users were up 12% compared to prior year.

ELECTRONIC WASTE

Regions strives to reuse electronic equipment whenever possible. In 2021, we redeployed computers internally and resold pieces of IT hardware. When reuse or resale is not feasible, we recycle using approved hardware recycling vendors that are Sustainable Electronics Recycling International R2:2013 Standard-certified. These certified vendors ensure that our electronic waste is properly managed and that valuable raw materials are recovered and reused.

SUSTAINABLE BUSINESS STRATEGY:
Scope 3 Emissions

> *We understand that our ability to allocate 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. Refer to the *Strategy* section of the disclosure for further information around these offerings.

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 and TCFD Report. The below chart demonstrates the successes our increased efforts over time as our business travel-related emissions have been in decline since 2018. As previously communicated within this report, we are working on developing methodologies to measure and report on additional Scope 3 categories including investments, which includes financed emissions, in the future. These efforts will support our long-term alignment with the Paris Agreement, the transition to a lower-carbon economy, and the PCAF membership commitment we have made.

SCOPE 3 EMISSIONS (as of December 31, 2021)	Units	2021	2020	2019	2018	2017*	2016*
Total	Metric Tons CO2e	2,452	2,440	8,444	9,095	n/a	n/a
Air Travel	Metric Tons CO2e	635	631	2,765	2,898	2,920	2,589
Car Travel (Rental Vehicle)	Metric Tons CO2e	747	800	2,802	2,890**	n/a	n/a
Car Travel (Personal Vehicle)	Metric Tons CO2e	1,070	1,009	2,876	3,308	4,032	4,214
Per Associate***	Metric Tons CO2e	0.12	0.13	0.43	0.46	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.

LOOKING FORWARD

As demonstrated throughout this report, Regions continues to make meaningful progress in its efforts to address climate change through the three pillars of our approach to sustainability: reducing our environmental footprint of operations, managing climate-related risks, and supporting our customers in the transition to a lower-carbon economy through our business strategy. The foundational steps already accomplished by Regions will support our pursuit toward sustainability in the future as our processes and methodologies mature.

NEXT STEPS

Future internal developments at Regions will provide greater insights for Regions and transparency to 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 Continuing to enhance quantitative analysis capabilities of our portfolio

2 Advancing a sustainable finance definition methodology, as well as evaluation of a sustainable finance goal

3 Continue integration of climate factors into client-level risk assessments

4 Measuring and evaluating our Scope 3 portfolio and sub-sector emissions

5 Continuing to monitor the evolving regulatory environment regarding climate disclosures through participation in various industry forums and working groups

6 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

CONTACT US
Regions Financial Corporation
1900 Fifth Avenue North
Birmingham, Alabama 35203

Investor Relations
investors@regions.com

Media Relations
1-205-264-4551

Customer Service
1-800-REGIONS (734-4667)

Twitter
@AskRegions
@RegionsNews