

helping our clients and communities thrive

2011 KeyCorp Corporate Social Responsibility Report



guide

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Our LEED Gold certified
"Green From the Ground Up"
branch in Westerville, Ohio.

a message from our CEO

Key concluded 2011 strong, focused, and building momentum in our business and our emphasis on sustainability. At Key, that includes both concern for the environment and our long tradition of corporate social responsibility.

This report summarizes our 2011 activities in three core areas: responsible banking, where we continued our stellar performance under the Community Reinvestment Act, earning seven consecutive “Outstanding” ratings for products and services targeted to low- and moderate-income individuals and families; responsible citizenship, including philanthropy and volunteerism; and responsible operations, where we report our efforts in sustainability.

As a corporate citizen, we feel obligated to do our part to address issues of the global environment. Already a major funder of alternative energy projects, we now are focusing on four core areas:

- Providing services to clients in renewable power industry segments
- Developing financial products that help our clients reduce energy consumption and carbon emissions

- Reducing our impact on the environment through energy-efficient facilities
- Extending our efforts to encourage all our stakeholders to join with us in helping to mitigate climate change

In 2011, we committed to reduce our absolute carbon footprint 20% from our 2009 baseline by 2016. I am pleased to report that our 2011 total carbon footprint was 9% below our 2009 baseline. In our second year of a five-year effort, we are almost halfway to our goal.

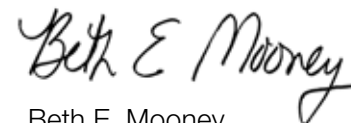
We also invested approximately \$9 million in Key energy conservation projects. The number of our LEED certified spaces doubled for the second year in a row, and we committed to achieving ENERGY STAR certification for 50% of our workspaces and retail branches by 2016. Currently, we are working to eliminate landfill waste and reduce water consumption by 25% at our new and existing sites.

In 2011, we formalized our commitment to sustainability by launching a new Environment and Social Governance initiative to drive accountability at every level of the corporation for achieving our social and environmental goals.

In other critical areas, our Supplier Diversity spend remained at more than double the national average for publicly traded corporations. Our KeyBank Foundation made its largest-ever national grant – \$1,000,000 – to Susan G. Komen for the Cure® for a program that will provide breast health education and screening to more than 100,000 medically underserved individuals. And, we continued to earn major national awards for outstanding customer service.

We are proud of our accomplishments but not satisfied with them – we are always working to strengthen our performance. I look forward to sharing more successes in the years to come.

Sincerely,



Beth E. Mooney
Chairman and Chief Executive Officer

July 2012

part 1:

organizational profile



KeyCorp Board of Directors

Top row: (left to right): Alexander M. Cutler, Barbara R. Snyder. **Middle row:** Bill R. Sanford, Joseph A. Carrabba.

Bottom row: Elizabeth R. Gile, Ruth Ann M. Gillis, Charles P. Cooley, Thomas C. Stevens, Edward P. Campbell, Beth E. Mooney, H. James Dallas, Kristen L. Manos, William G. Gisel, Jr.

Twelve of our fourteen directors are independent. Our director independence standards conform to the New York Stock Exchange independence standards. The specific standards are set forth on Key's website: key.com/ir

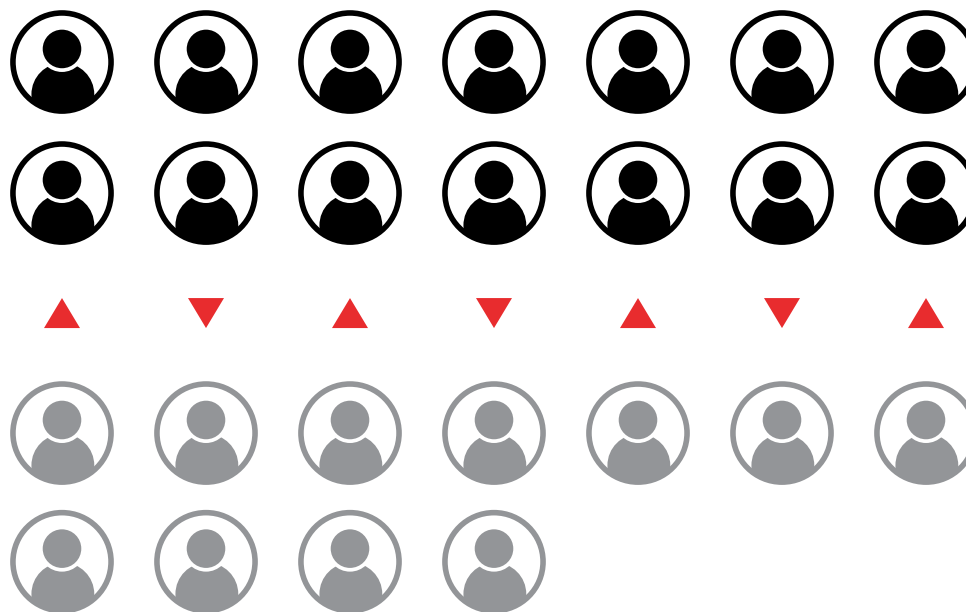
organizational profile: Board of Directors

Governance

Our 14-member Board of Directors includes 12 independent directors, each with strong leadership experience and diversified expertise. KeyCorp's Board currently exercises certain of its powers through its standing committees, which are Audit, Compensation and Organization, Nominating and Corporate Governance, and Risk. More than 40 percent of the Board consists of women and minorities.

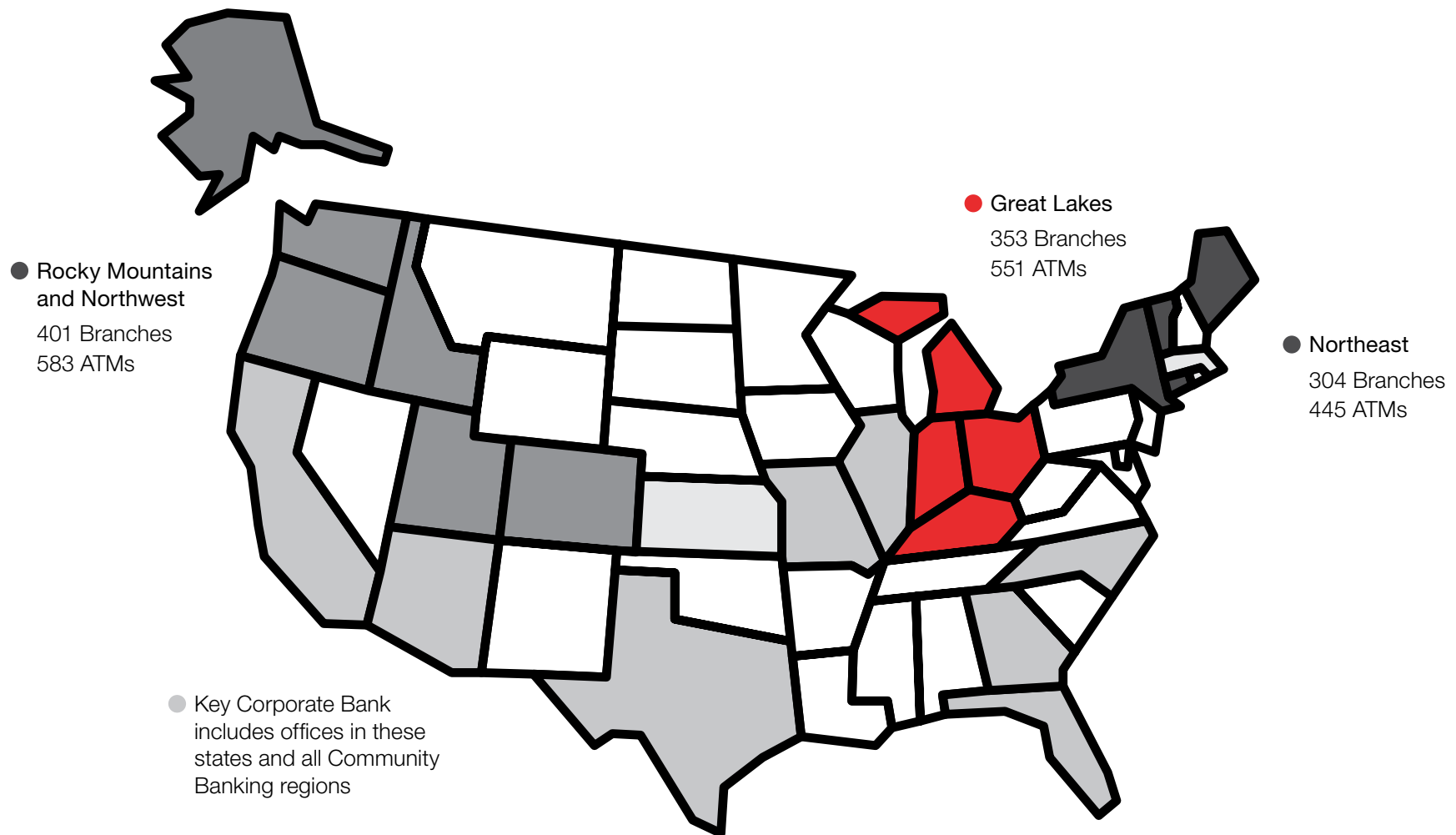
KeyCorp Board of Directors

Oversees our policies and practices in social responsibility



CEO and senior leaders

Manage our policies and practices in social responsibility



14 states **1,058** branches **1,579** ATMs

As of December 31, 2011.

\$89 billion

total assets

Approximate value as of December 31, 2011.

\$4.1 billion

total revenue

Approximate value as of December 31, 2011.

organizational profile: how we operate

With a history of more than 160 years, Key is headquartered in Cleveland, Ohio. The 15th-largest bank in the U.S., Key has assets of approximately \$89 billion as of December 31, 2011 and revenue of \$4.1 billion for the year ended December 31, 2011. Key employs approximately 15,300 people.

KeyCorp operates through two major business units: the Community Bank and the Corporate Bank.

Our Community Bank franchise:

- Extends into 14 states from Maine to Alaska
- Operates 1,058 branches
- Includes 1,579 ATMs

Community Bank operations include:

Retail Banking

Business Banking (small business)

Key Private Bank

Key Investment Services®

KeyBank Mortgage®

KeyBank Commercial Banking
(mid-size businesses)

Dealer Services (commercial auto finance)

Corporate Bank extends across the U.S., England and Western Europe and includes:

KeyBank Real Estate Capital®

- A leading provider of commercial real estate finance and capital markets
- One of the nation's largest and highest-rated commercial mortgage servicers

Enterprise Commercial Payments

- Provides cash management, deposit, and foreign exchange products and services

KeyBanc Capital Markets®

- Provides a complete suite of corporate and investment banking services
- Targets the industrial, consumer, real estate, energy, and healthcare sectors

Key Equipment Finance®

- One of the nation's largest bank-owned equipment finance providers
- Specializes in the technology, healthcare, and renewable energy markets

Public Sector

- Offers a full array of commercial banking products and services to state and local governments, nonprofits, and higher education institutions

Victory Capital Management®

- Manages or advises approximately \$36 billion in investment portfolios for institutional and retail clients

organizational profile: conduct and relationships

Clearly delineated policies and practices

Our business conduct is guided by policies that include:

- Key Values
- Code of Conduct for Doing Business with Public Entities
- Code of Ethics
- Compliance
- Diversity
- Equal Employment Opportunity and Affirmative Action
- Green and Sustainable Goals and Practices
- Professional Conduct
- Supplier Diversity Sourcing
- Community Leadership Gift Program (provides support to nonprofits on whose boards Key employees serve)
- Employee Matching Gift Program
- Jury Duty (we support jury service)
- Military Leave (we support those who serve)
- Neighbors Make The Difference® Day (on the designated day, employees are released for half a day with pay to perform volunteer service at nonprofits in their communities)

Stakeholder engagement

Our stakeholders include employees and their families; shareholders and debt holders; contractors; managers of buildings in which we lease space; our Board of Directors; clients; other institutions in our industry; companies in our supply chain; our communities and their leadership; regulators; stock exchanges; vendors; national, state and local government agencies; nonprofit agencies; and educational and research institutions.

We engage with each group of stakeholders in multiple ways. We interact with tens of thousands of clients and prospects in our communities each year – face to face, by phone, online, and through social media channels. We also meet regularly with leaders in state and local government, the communities where we do business, higher education, the nonprofit sector and the financial services industry.

organizational profile: managing risk

Robust risk management

Key has a strong culture of risk management. Identifying, evaluating, and managing business risk is an essential and continual part of doing business at Key.

Each year, our Board of Directors reviews and approves our Enterprise Risk Management program. Key evaluates all material items that fall within each of our major categories of risk: credit, liquidity, market, compliance, operational, strategic, and reputational. The Board assesses our risk philosophy, policy, framework, and governance structure for managing risk across the entire company, as well as our corporate risk tolerances for each of these categories.

Outside our formal risk process, we also are focusing on the challenges associated with climate change and its potential to drive regulatory changes that could affect Key's operations.

Additionally, we are examining the issues of scarcity and pollution of such natural resources as clean water, and volatility in world economic conditions that may be driven by limited or polluting energy resources. We take a long-term view to ensure Key and future generations will enjoy a healthy natural environment with stable economic and social conditions.

our purpose:

We help our clients and communities thrive.

our client promise:

You will always have a champion in KeyBank.

We strive every day for your personal and business success.

our values:

- Teamwork: We work together to achieve shared objectives.
- Respect: We value the unique talents, skills and experience that diversity and inclusion provide.
- Accountability: We deliver on what we promise.
- Integrity: We are open and honest in everything we do.
- Leadership: We anticipate the need to act and inspire others to follow.

part 2:

responsible banking

responsible banking: core programs

Lending that helps our communities thrive

The most important investment we make is in our communities.

We are consistently recognized for the positive impact of our lending in communities across the nation, in particular our programs to support and strengthen underserved communities.

At the close of 2011, Key had more than \$2.2 billion in loans and investments to underserved communities. In September 2011, we announced an additional commitment to lend \$5 billion to qualified small businesses over the next three years.

Key Community Development Banking

Community Development Banking (CDB) provides financing solutions that allow complex deals to succeed in low and moderate income neighborhoods, including affordable housing and economic revitalization projects. CDB is also devoted to the success of individuals and families and works closely with local residents and the organizations that serve them. We provide a suite of responsible and innovative banking solutions, called KeyBank Plus,[®] as well as financial literacy programs to help clients achieve their financial goals.

Community Development Banking includes these units:

Community Development Lending: Provides real estate financing for affordable housing and small businesses, and makes community development loans in selected census tracts throughout our footprint.

Key Community Development Corporation:

Provides equity investments in low income housing, historic rehabilitation, small business investment companies, and community development venture capital funds.

Supplier Diversity/Economic Inclusion: Creates partnerships with diverse businesses, working to ensure they have maximum opportunity to be Key suppliers and contractors.

Consumer Lending Group: Offers a wide variety of mortgage and consumer products and services to low- and moderate-income individuals and families. These include Key Community Mortgage, Key's flagship product for first-time homebuyers.

Underserved Initiative Program: Specialized financial products with financial education and community group partnerships to meet the needs of underserved communities.

responsible banking: core programs

KeyBank Plus: Now available in 276 branches, KeyBank Plus offers convenient products and services that meet the needs of clients who may be new to banking or who may have had challenges in managing a banking relationship in the past.

Clients can cash approved payroll, government, and income tax checks for one low fee. Additional KeyBank Plus products include fee-free money orders, as well as savings and checking accounts with options that help consumers get and stay on track financially while learning how to manage their funds. We also offer a basic line of credit that provides access to available funds when short-term financing is needed, and a loan program that helps build or repair credit.

Nationally since 2004, KeyBank Plus has:

- Enrolled more than 50,000 clients and non-clients
- Handled nearly 300,000 transactions
- Cashed almost \$200,000,000 in checks, at rates much lower than those of typical check cashers
- Provided free financial education to more than 21,000 people, helping them gain skills in such areas as managing money, getting and keeping good credit, and budgeting. More than 500 employee volunteers are trained to teach the classes.
- Offered online courses in English and Spanish through our partnership with One Economy. Personal financial information and tools can also be found on Key's website at key.com/financialed. We also offer the FDIC's "Money Smart" to complement our in-person class offerings.

Community Reinvestment Act: This federal law requires banks to meet the credit and banking needs of low- and moderate-income communities across America. We are consistently recognized for meeting the credit needs of the entire community in a manner that is consistent with safe and sound banking practices.

Key was the first of America's 50 largest banks to earn seven consecutive "Outstanding" ratings from the Office of the Comptroller of the Currency for lending under the Community Reinvestment Act. In addition, in our most recent exam we were ranked "Outstanding" in all three subcategories: Lending, Investments, and Services.

Branch investments

From 2007 through 2011, we invested more than \$300 million in our communities through branch construction and renovation. Forty percent of our construction spend was with diverse firms.

responsible banking: sustainability

Strategic focus on sustainability

At Key, we believe a strong bank is more than just a leading provider of financial services to its customers. We invest in sustainability as a critical business strategy that can help our communities thrive.

Key is focused on two elements of sustainable banking: increasing our lending in alternative energy and clean technology, and improving our own environmental performance. We concentrate on these areas because we can make an impact in a fairly short amount of time.

Key's impact on the low-carbon economy and advancement of clean technology

A major lender in alternative energy, Key in 2011:

- Financed 580 megawatts¹ of clean energy in the form of solar projects
- Financed more than 1,000 megawatts¹ of clean energy in wind-turbine projects

These renewable generation projects:

- Generated enough clean, renewable electricity to power more than 1 million homes
- Contributed to the offset of carbon emissions by more than 21 billion pounds of CO₂ annually, or the equivalent of:
 - Taking about 1.9 million cars off the road, or
 - Powering down about 811,000 houses

We work with our wind and solar power clients to help them secure financing for these critically important projects. Our partnership helps clients access the debt and equity capital markets as well as utilize economic incentives for their projects, such as Treasury grants, Department of Energy loan guarantee programs, and other stimulus initiatives. In addition, we offer specialty loan programs that help clients take advantage of regulatory incentives through the installation of insulation, solar panels, and energy efficient windows and appliances.

¹Actual power generation will depend on future operating performance.

“We are doing our part to increase wind and solar development projects with an industry known for frequent policy and legislative changes. Conventional fuel and power prices are volatile and climate change remains a concern, so the U.S. must look to alternative sources to help address its energy needs.”

Chris Gorman, President, Key Corporate Bank
and Chair of Key’s Environment and Social Governance Council

More than **1,500** megawatts

Clean energy financed by Key in 2011.

\$1 billion

Financing committed by Key to renewable energy projects in the U.S. since 2007.

responsible banking: sustainability

Key's risks in climate change

Because Key's operations include facilities throughout the United States, where almost all our business is conducted, we are exposed to risks created by climate change, including changes in weather patterns, energy markets and commodities pricing, new regulation, and increased demand on natural resources.

Employees, clients, buildings, and our communities may be at risk from extreme weather, which could cause temporary or permanent branch or office closure. Our employees, clients, and supply chain could be affected by water shortages, higher energy costs, or power loss. The probability, frequency, severity, and impact of these events could also vary by locality and facility.

Although Key has identified numerous potential risks due to climate change, we believe the negative impact on our business operations and financial performance will be minimal over the next three to five years.

Addressing risk

We are committed to improving our environmental performance and increasing efficiency, and have implemented a company-wide effort to:

- Better manage the effects of climate change and related risks to our business
- Reduce our energy consumption and greenhouse gas emissions
- Reduce consumption of paper, water and other limited resources
- Reduce waste
- Expand our recycling programs

(See *Responsible Operations*, p. 37, for details)

We also are establishing measurement and reporting systems to make Key's environmental and social performance more transparent, and believe we will increase our efficiency and reduce portfolio risk by incorporating sustainability, where appropriate, directly into our risk management practices.

In 2011, Key:

- Established a first-generation goal to reduce our absolute carbon footprint by 20% by 2016 (vs. 2009 baseline)
- Developed internal systems to manage and report our environmental and social performance
- Incorporated our carbon footprint reduction goal into individual employee goals and targets
- Funded more than 200 internal energy reduction projects
- Established an Environment and Social Governance (ESG) Council and strategy, influenced by input from a number of stakeholders including Key's executive leadership, clients, investors and employees
- Expanded our employee Green Network

responsible banking: sustainability

Key's opportunities in climate change

Climate change presents growth opportunities for our clients and shareholders. These include alternative energy financing and support for cost-effective, energy-efficient projects.

Regulatory incentives related to climate change may increase the viability of certain clean energy projects. This would create future opportunities to expand Key's renewable energy platform, which offers strategic advisory, capital raising and project finance solutions to clients in the wind, solar, hydro-electric, biomass, and other alternative energy sectors.

Engagement with policymakers

Our Energy & Power Group executives meet regularly with local, state and national policy makers regarding climate change and energy efficiency policies. During 2011, our bankers participated in conferences focused on cost-effective means to address climate change:

- **Infocast Windpower Finance and Investment**
— *February*
- **USC Law Real Estate Forum**
— *March*
- **Financing Renewable Energy**
(Novogradac & Co.)
— *April*
- **Infocast Freshwater Wind**
— *July*
- **Solar Development in New York**
(Whiteman, Osterman & Hanna)
— *August*
- **Infocast Utility Scale Solar Summit**
— *September*
- **Ballard Spahr Energy and Project Finance**
— *November*

responsible banking: anti-corruption

Strong anti-corruption policies and practices

Key's Code of Ethics ("the Code"), provides guidance to employees in living the Key Values, particularly that of Integrity, as they interact with clients, vendors, business partners, fellow employees, and others. Specifically, the Code provides employees and members of the Board of Directors with "a set of uniform principles on which we conduct our business and ourselves."

The Code includes language defining corruption and bribery and states Key's zero tolerance policy. It also addresses Key's Foreign Corrupt Practices Act policy and requires adherence to this and "other related laws that prohibit corrupt activities with foreign and domestic governments and officials."

The Code is reviewed annually and approved by the Compliance Risk Committee, the Enterprise Risk Management Committee, and the KeyCorp Board of Directors (both the Audit Committee and full Board).

Each year, 100% of employees are required to complete a Conduct and Ethics training course, pass an exam, and certify their compliance with five conduct-related policies:

- Code of Ethics
- Professional Conduct
- Code of Conduct for Doing Business with Public Entities
- Foreign Corrupt Practices Act (FCPA)
- Agreement Regarding Trade Secrets, Intellectual Property, and Non-Solicitation of Employees (or Trade Secrets Agreement)

High risk policy

Laws and regulations require us to identify, and manage to limit potential for, money laundering and terrorist financing. Because certain types of clients, products, services, and geographies are more vulnerable, we have implemented a High Risk Customer, Product, Service, and Geography Policy.

The Policy states that we will conduct business only with those we reasonably believe to be of good reputation and who have accumulated their wealth through legitimate means. We do not accept customers who we believe have engaged in unlawful activity. We also treat senior foreign political figures, their families, and their associates as high risk customers.

All employees are required to take anti-money laundering training each year and pass an exam.

awards and accolades:

- Scored significantly higher than the largest U.S. banks in a 2011 survey by the American Customer Satisfaction Index and was one of only two banks that improved its overall satisfaction score two consecutive years
- National winner of three Greenwich Excellence Awards for 2011 in small business and middle market banking
- Ranked 5th nationwide in overall customer satisfaction in the 2011 J.D. Power and Associates Small Business Banking Satisfaction StudySM
- Earned four awards from Corporate Insight's 2011 Bank Monitor for online banking capabilities in the areas of alert services and centers, online applications, bill pay capabilities and transfer capabilities
- Winner of the 2011 Compuware Best of the Web Banking Mobile Leader award, recognizing the best combined performance in 2011 for response time, availability and consistency of our mobile website
- Seven consecutive "outstanding" ratings for lending under the Community Reinvestment Act

part 3:

responsible citizenship

responsible citizenship: philanthropy

KeyBank Foundation

We provide grants in three areas that foster economic self-sufficiency in the communities we serve.

Financial Education. We support programs that teach such skills as balancing a checkbook, establishing and following a budget, implementing a savings goal, and reducing personal debt.

These skills and more are part of the Foundation's signature financial education program, Credit Yourself: The Way to Financial Fitness. The program is offered in partnership with local nonprofits in 14 cities. Since its inception in 2006, more than 5,100 people have completed Credit Yourself.

Workforce Development. We support programs for people entering or reentering the workforce or enhancing their job skills.

Diversity. Workforce diversity and equal opportunity are essential to the well-being of our society. We support organizations that foster an environment in which people can succeed regardless of age, gender, race, religion, or sexual orientation.

In the past four years, KeyBank Foundation gave more than \$18 million annually to nonprofit organizations across the nation. Despite the economic downturn that began in 2008, we did not reduce our philanthropic or volunteer community support.

Employee matching gifts

We match qualifying employee donations, and may match an additional amount if the employee serves on a nonprofit's board or capital campaign committee. Employee donations and Foundation matching gifts totaled more than \$3,000,000 over the past four years.

Community Leadership Giving

We donate to nonprofit organizations on whose boards our employees serve. Since the beginning of 2008, our Community Leadership Gifts have totaled more than \$1.5 million. Many of our employees volunteer as civic leaders, board members, and advisors to nonprofits and community groups.

United Way

In 2011, KeyBank employees pledged personal contributions of \$2,508,144 to their local United Way agencies. Key's 2011 corporate contributions to those agencies were \$1,855,849.

responsible citizenship: inclusion

Diversity and inclusion

Engaging a talented and diverse workforce is a strategic priority at Key. It enhances the client experience and shareholder value by fostering an inclusive workplace that reflects the people, markets, and communities we serve.

Expanding the diversity of our board and workforce increases the depth and breadth of our talent. We also rigorously measure our progress against diversity goals.

Key Business Networking Groups

Our Key Business Networking Groups (KBNGs) are critical partners in our relationship strategy. These employee groups have three purposes: help attract, recruit, and retain a diverse workforce that reflects the communities where we do business; aid in the professional development of KBNG members; and help us reach out to and better understand our clients and communities. Our nine KBNGs are open to all employees:

- African American
- Asian
- Champions of People with Disabilities
- Hispanic Latino
- Jewish Cultural
- Key Executive Women's Network
- Lesbian, Gay, Bisexual, and Transgender and their Allies
- Millennials
- Military Inclusion

Each KBNG is led by an executive sponsor and a team responsible for setting and monitoring the group's direction.

Key Diversity Thought Leadership Series

In partnership with The City Club of Cleveland, the nation's oldest continuing independent free speech forum, Key sponsors conversations about the positive effect of inclusive environments. The City Club KeyBank Diversity Thought Leadership Series speeches are broadcast live to more than 400,000 weekly listeners.

“At Key, diversity and inclusion are critical to our business strategy. Harnessing strength from a variety of backgrounds, experiences and perspectives allows Key’s professionals to bring a richer and deeper perspective to business decisions and customer service, as well as support a culture where every person feels included, valued and empowered.”

Beth Mooney, Chairman of the Board and CEO, KeyCorp

responsible citizenship: diversity

Supplier diversity and economic inclusion

As part of our business strategy, we are committed to expanding mutually beneficial relationships with minority-, women-, and veteran-owned businesses. These relationships help us to:

- Deliver exceptional products and services to our clients
- Better understand our clients
- Build the economic wealth of the communities we serve
- Provide a level playing field for all potential suppliers
- Set and meet measurable goals that reflect our Supplier Diversity strategy

Economic inclusion is a critical bridge between our workplace and marketplace. Diverse suppliers are engines of economic development: when we hire them, they grow jobs and wealth in our communities. We purchase goods and services from diverse companies in multiple areas, including:

- Marketing
- Communications
- Information technology
- Construction
- Travel
- Office supplies
- Legal services
- Human resources

Our 2011 spend with diverse suppliers was 16.8% of our total procurement, more than twice the national average for publicly traded corporations. From 2008 through 2011, we spent \$454 million with diverse suppliers.

Our Supplier Diversity team:

- Establishes a measurable corporate-wide supplier diversity procurement process
- Provides employees access to diverse suppliers in their communities
- Helps primary suppliers track the secondary suppliers they use; we require a percentage of secondary suppliers to be diverse

Supplier diversity sourcing policy

Supplier selection is based on many requirements, including:

- Quality products and services
- Competitive pricing
- Technical capabilities
- Proactive product service support
- Effective follow-through

Supplier qualifications

We require that a company be at least 51% owned, operated and controlled by U.S. citizens who are:

- African American
- Hispanic
- Native American
- Asian Indian
- Asian Pacific
- Women
- Veterans

We require proof of ownership, and accept certification from local, state, and national agencies.

16.8%

Our 2011 procurement spend
with diverse suppliers – more than
twice the national average for
publicly traded corporations.

responsible citizenship: Key4Women

Key4Women®

Now seven years old, the Key4Women program focuses on the unique needs of women who are business owners, business leaders, or executive directors of nonprofits. Key4Women is dedicated to bringing our clients access to capital, customized financial solutions, ongoing education, and networking opportunities.

In April 2007, Key announced that it would lend \$2 billion to women-owned businesses over a five year period. By April 2009, we achieved that goal three years ahead of schedule, and set a new goal to lend another \$3 billion by 2012.

Key4Women Forums – a national educational offering for business women – are held in cities across our footprint. The program also hosts events at Key branches and other informational offerings.

Key4Women utilizes a National Advisory Board comprised of women business owners and leaders from across the country. It also demonstrates its commitment to women-owned businesses by investing in the organizations that support them, including such national entities as Women's President's Organization (WPO), the Center for Women's Research, and Women Impacting Public Policy.

responsible citizenship: volunteerism

Neighbors Make The Difference® Day.

Community service is embedded in Key's culture. On May 24, 2011, Key employees celebrated our 21st annual Neighbors Make The Difference Day. Some 8,300 of us – more than half the company's workforce – left our offices and headed out into our communities, lending a helping hand to nearly 900 community projects.

We mentored students, taught financial education courses, built and repaired facilities, sorted and packed food at local food banks, dug and planted gardens, and cleaned up local parks. Over the 21-year history of Neighbors Make The Difference Day, employees have given more than half a million volunteer hours to our communities.

Examples of our 2011 projects:

- Longmont, Colorado: We cleaned, painted, weeded, and refurbished facilities at the Colorado Therapeutic Riding Center.
- Indianapolis, Indiana: We helped the Epilepsy Foundation of Indiana conduct its annual fundraiser selling daylilies.
- Cleveland, Ohio: We removed invasive plants from the Cuyahoga Valley National Park to help preserve native species.
- Salt Lake City, Utah: At the Utah Food Bank, we packed food boxes for senior citizens and lunches for low-income schoolchildren.
- Adrian, Michigan: We washed all the windows at the Hospice of Lenawee.
- Albany, New York: We helped the Albany Pro Musica inventory 30 years of archives.
- Burlington, Vermont: We prepared a home-cooked meal for families staying at the local Ronald McDonald House.
- Seattle, Washington: We completed a number of general maintenance projects at the Children's Hospital

Super Refund Saturday

Each year, hundreds of Key employees volunteer to help low- and middle-income individuals get tax refunds. In February 2011, Key:

- Served 1,495 taxpayers
- Processed \$3,593,092 in federal tax refunds without charge
- Processed \$1,480,000 in total refunds through the Earned Income Tax Credit
- Contributed some 290 KeyBank volunteers who helped hard-working people maximize their refunds



A KeyBank employee works with children from the YWCA Greater Cleveland's Early Learning Center on Neighbors Make The Difference Day.

responsible citizenship: teen driving

Key to Safe Teen Driving

This mobile driving safety program uses professional driving instructors from the Mid-Ohio School and targets students at high schools in the Midwest that are near KeyBank branches. Key offers the three-hour class in conjunction with local tire dealers, AAA clubs, and other organizations.

Teens go through classroom instruction and learn how to brake on wet pavement or handle an emergency lane change. Then, they get to hop into the Honda Skid Car, which is specially designed to mimic a car that is skidding out of control.

Participants are enthused about the program and how much better they feel about their driving skills; parents are excited to see their teens developing more competence and confidence behind the wheel.

The program has grown from one day at one school in 2009 to 14 days in 11 cities in 2011. More than 1,500 teens in Ohio and Indiana have gone through the program since its inception, and we hope to expand the program into more states in 2012.

part 4:

responsible operations

responsible operations: facilities

Sustainability – in operations and facilities – is part of Key’s commitment to our communities and the people who live and work there. We are focused on reducing energy and resource consumption, reducing greenhouse gas emissions, and managing our waste responsibly to improve returns and deliver shareholder value.

Although Key’s energy costs represented approximately 9% of our total expenses in 2011, we believe we can generate significant savings by investing in energy efficiency initiatives, such as ENERGY STAR¹ certification, in our corporate facilities.



¹ENERGY STAR is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy that helps organizations and individuals measure and manage energy performance and protect the environment through energy efficient products and practices.

²LEED stands for Leadership in Energy and Environmental Design. Developed by the U.S. Green Building Council (USGBC) in 2000, the LEED rating systems are an internationally recognized mark of excellence for green building design, construction, operations and maintenance solutions.

In 2011, Key earned:

- ENERGY STAR certification for both buildings on our almost 20-year-old Tiedeman campus in Cleveland for their energy-efficient products and practices. We expect to receive LEED² Platinum status for the 680,000 square foot campus in 2012 based on modifications to the buildings’ plumbing systems that reduce water consumption by 15%, and new HVAC systems that will significantly cut energy consumption. In 2005, this campus became one of the Midwest’s first LEED-certified complexes.
- LEED Gold certification for our workspace in downtown Cleveland’s historic Higbee Building
- LEED Gold certification for our first “Green From the Ground Up” retail banking branch in Westerville, OH

Planning for greater operational sustainability

We have made significant investments during the past few years to improve energy efficiency in our retail and corporate office portfolio. We also have established a goal to build all new retail branches to the standard required for LEED certification.

We doubled the number of LEED certified spaces in each of the last two years, and have a goal of achieving ENERGY STAR certification for 50% of our spaces by 2016. We also are working to eliminate landfill waste and reduce water consumption by 25% in new and existing sites by 2016.

Further, we are reducing our total footprint, shrinking it by 20% in the past three years. Through consolidation, more efficient design, and the elimination of vacant space, we plan to reduce our total footprint by another one million square feet or more in the next three years.

Key's environmental footprint:

11,505,830

rentable square footage

15,300

employees

responsible operations: facilities

Green leasing

The majority of our workspace is leased, and we are incorporating these requirements into all our new lease negotiations:

- Maintenance of LEED and ENERGY STAR building certifications
- Temperature boundaries
- Recycling programs
- ASHRAE standards for energy and air quality
- Green cleaning programs
- Building efficiency upgrades
- Chilled and condensed water
- Low-flow water fixtures
- Green energy procurement rights
- Adherence to an environmental management plan
- Periodic reporting to increase transparency of our environmental actions

Energy management: becoming more sustainable

Approximately 9% of our total 2011 operational spend was for energy. During the year, we invested about \$9 million in energy conservation projects, including:

- Boilers, furnaces, and compressors replaced
- Energy-efficient upgrades to building controls
- Roofing and insulation replaced and upgraded
- Installation of:
 - Solar panels
 - High efficiency HVAC and lighting systems
 - Uninterrupted power systems
 - Energy-efficient doors and windows

Renewable Energy Certificates

In 2011, we purchased 12,203 Renewable Energy Certificates that replaced an estimated 12,203 MWh of energy produced from conventional sources with clean energy produced from renewable sources. In 2012, we intend to increase the percentage of power purchased from renewable sources.

Greenhouse gas emissions

Key's total carbon footprint in 2011 was 96,413 metric tons CO₂e, a reduction of 9% from its 2009 baseline and a reduction in Scope 1 and Scope 2 emissions of 4,791 tons CO₂e from 2010. In our second year of a seven-year time frame, we are almost halfway to our goal to reduce our absolute carbon footprint by 20% by 2016.

Eco-friendly facilities

Our new and remodeled branches feature large video walls that reduce the need for paper merchandising. We use native plants in landscaping to reduce transportation and maintenance costs, and HVAC systems with remote temperature control save energy.

Waste and recycling

We are establishing a consistent waste tracking system, and our recycling efforts are growing. In 2011, we recycled:

- 7,030,537 pounds of paper, cardboard, and plastic
- 98,793 pounds of metals
- 29,368 pounds of carpet
- 133,814 pounds of e-waste

We also recycled or donated 71,498 pounds of furniture, and composted 3,820 gallons of food waste.

Key's 2011 energy consumption:

Direct energy (GJ)



Natural gas
222,834



Jet fuel
22,366



Fuel oil
13,865



Propane
5,709



Direct renewable
energy sources
0



Indirect green
power offsets
0

Total 264,774

Indirect energy (GJ)



Electricity
576,552

Total 576,552

All numbers are stated in gigajoules (GJ), a metric measurement of energy use.

Key's 2011 CO₂e emissions:

Direct and indirect GHG emissions (mtCO₂e)

GHG
scope 1

GHG
scope 2

14,027
82,386

Total 96,413

Indirect GHG emissions (mtCO₂e)

GHG
scope 3

43,583

Total 43,583

CO₂ (Carbon Dioxide) equivalent is the measure used to compare the emissions from various greenhouse gases based on their global warming potential (GWP). The CO₂ equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP.

Key calculates our GHG Emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol), an internationally accepted accounting tool used to understand, quantify and manage greenhouse gas emissions. The GHG Protocol categorizes direct and indirect emissions into three broad scopes: **Scope 1**: All emissions from sources that are owned or controlled by the reporting entity; **Scope 2**: indirect emissions from consumption of purchased electricity, heat or steam; and **Scope 3**: other indirect emissions not covered in Scope 2.

Key's 2011 water consumption:

Water consumption (cubic meters)



Total 534,352

Cubic meter = approx. 264.2 gallons

Does not include water paid for by Key's landlords.

KeyCorp's water consumption is drawn entirely from municipal water supplies or other water utilities; no water sources are significantly affected by our consumption.

responsible operations: employees

Work is an activity – not a place

We foster a workplace that reduces our environmental footprint and supports the health and well-being of our employees. Our workplace design and alternative workplace strategies improve indoor air quality, access to natural light, and work-life balance. In addition to operational savings, these workplaces have a lower environmental impact.

When appropriate, Key encourages employees to work remotely. The Mobile@Key program allows employees to use alternative workplaces or flexible work schedules. Mobile work environments reduce commuting miles driven, carbon emissions, fuel consumed, and energy to run office equipment. In addition, employees may join our Green Network, an employee-led group that focuses on ways to help Key improve workplace sustainability.

Teller 21

This state-of-the-art teller platform is one of our biggest sustainability programs. Teller 21 lets tellers capture images and process checks at their workstations, allowing Key to electronically transmit approximately 200 million paper items and to save more than \$8 million in transportation costs each year.

responsible operations: clients

We believe that responsible operations couple sustainability with exceptional and accessible customer service.

A greener way to bank: Online Banking, Online Statements, and Bill Pay

Online Banking not only offers convenience but also helps create a cleaner environment:

- Eliminates paper waste and the need to transport mail
- Conserves water – paper manufacture is highly water-intensive
- Saves gas and carbon emissions
- Reduces printing and postage expenses

Key was an early leader in check imaging – processing checks electronically to save time, paper, and transportation costs. We introduced online statements in 2002 to reduce paper consumption, printing, postage, and transportation costs as well as provide clients with convenience and environmental responsibility. Today, we deliver more than five million client statements electronically each year; printed, each would be at least four pages long.

Key receives 90% of invoices from our suppliers electronically, and transmits payments electronically as well. Paying 10,000 bills electronically can save almost 370 pounds of paper and more than 4,500 gallons of gasoline.

Combined annual savings from Online Banking, Online Statements, Online Bill Pay, and Smart Print, an internal print-reduction program:

- 150,000,000 pieces of paper
- 25,000 trees
- 30,000,000 gallons of water
- 100+ tons of CO2
- 75 gallons of gas for every one of Key's 15,000+ employees

Online Banking users
850K / 39% penetration

Mobile Banking users
106K / 13% penetration

Online Statement users
900K / 70% penetration

Online Bill Pay users
190K / 31% penetration

150,000,000

pieces of paper

30,000,000

gallons of water

100+

tons of CO₂

Savings from Online Banking, Online Statements, Online Bill Pay, and Smart Print



KeyBank offices at the Higbee Building in Cleveland, Ohio, have been certified LEED Gold by the U.S. Green Building Council (2011).

“Our objective is to improve the quality of life and economic vibrancy of the places where our customers, employees, and shareholders live and work.”

Margot James Copeland, Executive Vice President, Corporate Diversity and Philanthropy and Chair of the KeyBank Foundation

looking forward

looking forward

Although the bulk of this report reflects our activities in 2011, the first half of 2012 saw significant achievements as well:

- Executives from Key's Energy and Power Group were invited to the White House to discuss cost effective incentives to encourage renewable energy
- Key achieved its goal of lending \$3 billion to women-owned businesses, surpassing that goal ahead of schedule (February 2012)
- The US Small Business Administration (SBA) named KeyBank its 2012 Large 7(a) Lender of the Year (May 2012)
- Key earned LEED Platinum certification for its almost 20-year-old Tiedeman campus in Cleveland. The two buildings of the 680,000 square foot campus were upgraded with modifications to the buildings' plumbing systems that reduce water consumption by 15%, and new HVAC systems that will significantly cut energy consumption. (May 2012)
- The National Business Group on Health recognized KeyBank with a Gold Award for being one of the "2012 Best Employers for Healthy Lifestyles." Key was honored for its innovative, systemic approach to wellness, which has helped employees become more involved in their well-being to improve their health and drive down medical costs. (June 2012)



Key's Tiedeman Road campus in Cleveland, Ohio
earned LEED Platinum certification in May 2012.

about this report

This is our first Corporate Social Responsibility Report against the Global Reporting Initiative (GRI) framework, which we have applied at Level C. GRI is a valuable international reporting standard, and we expect to expand our reporting against its guidelines in the coming years.

Content for this report was defined by Key's Environment and Social Governance Council, led by Chris Gorman, President of Key Corporate Bank. We identified the environmental and social risks, issues, and opportunities that are important or material to our business by engaging our closest stakeholders, including our shareholders, employees, clients and corporate peers, Board of Directors, and executive leadership. Their input informed the goals and priorities detailed here.

We believe that this report accurately represents our response to the expectations, issues, and interests these stakeholders identified. Their views and concerns are the core of Key's sustainability strategy.

We expect that the stakeholders cited above, as well as many others including governmental agencies, regulators, suppliers, and nonprofits, will use this report and play important roles in helping us set and achieve our future goals.

This report covers the period from January 1, 2011 to December 31, 2011. Our last CSR report was issued in September of 2011; going forward, we anticipate reporting annually in the second quarter of each year, reflecting results from the previous calendar/fiscal year.

Follow our progress on Twitter at twitter.com/KeyBank_Thrive, and on our Facebook page at facebook.com/KeyBankCommunity

Shareholders may submit proposals to be considered for inclusion in KeyCorp's annual proxy statement in accordance with the provisions of Rule 14a-8 of the Securities Exchange Act of 1934, as amended.

KeyCorp provides a means for shareholders to submit proposals for consideration outside of Rule 14a-8 as long as the Secretary of KeyCorp receives those proposals no fewer than 60 and no more than 90 days before the annual meeting. Shareholders are required, among other things, to submit the text of the proposal and a brief written statement of the reasons why the shareholder favors it.

Anyone who wishes to share comments and views about KeyCorp with the Board may mail a statement to KeyCorp at its corporate headquarters in Cleveland, Ohio. Correspondence should be sent to the Lead Director, KeyCorp Board of Directors, care of the Secretary of KeyCorp, and marked "Confidential."

KeyCorp

127 Public Square
Cleveland, OH 44114
216-689-3000
TDD/TTY: 1-800-539-8336
general@keybank.com



unlock your possibilities[®]



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Cleveland, OH 44114

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general@keybank.com