

**KeyCorp**  
2015 Corporate Responsibility Report



Focused **Forward**

# About this report

Detailed disclosures and additional information are available in the [GRI Content Index](#), which serves as our report appendix.

KeyCorp's fifth annual Corporate Responsibility (CR) Report serves as a companion piece to its annual report to shareholders and provides all stakeholders with an update on the company's CR progress. This report aligns with the Global Reporting Initiative (GRI) framework and meets G4 core disclosures. GRI is the most widely used CR reporting framework in the world, and it allows Key to share results in a manner comparable with peers and industry benchmarks. Moreover, GRI is essential to helping Key organize its corporate responsibility and sustainability efforts to accelerate progress. By way of this document, Key reports on the CR progress of KeyCorp; KeyCorp's subsidiary bank, KeyBank National Association; and KeyBank Foundation, for the calendar year ending December 31, 2015.

[View this and previous KeyCorp Corporate Responsibility Reports at key.com/crreport.](#)

## Feedback

KeyCorp's 2015 CR Report provides transparency and clarity to you and other important partners. Feedback and questions about our corporate responsibility efforts and this report are welcomed and can be addressed to Andrew Watterson, KeyCorp's Head of Sustainability: [andrew\\_watterson@keybank.com](mailto:andrew_watterson@keybank.com) or 216-689-5418.



On the cover: A view of Buffalo, New York — one of KeyBank's most significant markets — with the greatest concentration of employees outside of Key's headquarters city of Cleveland, Ohio.

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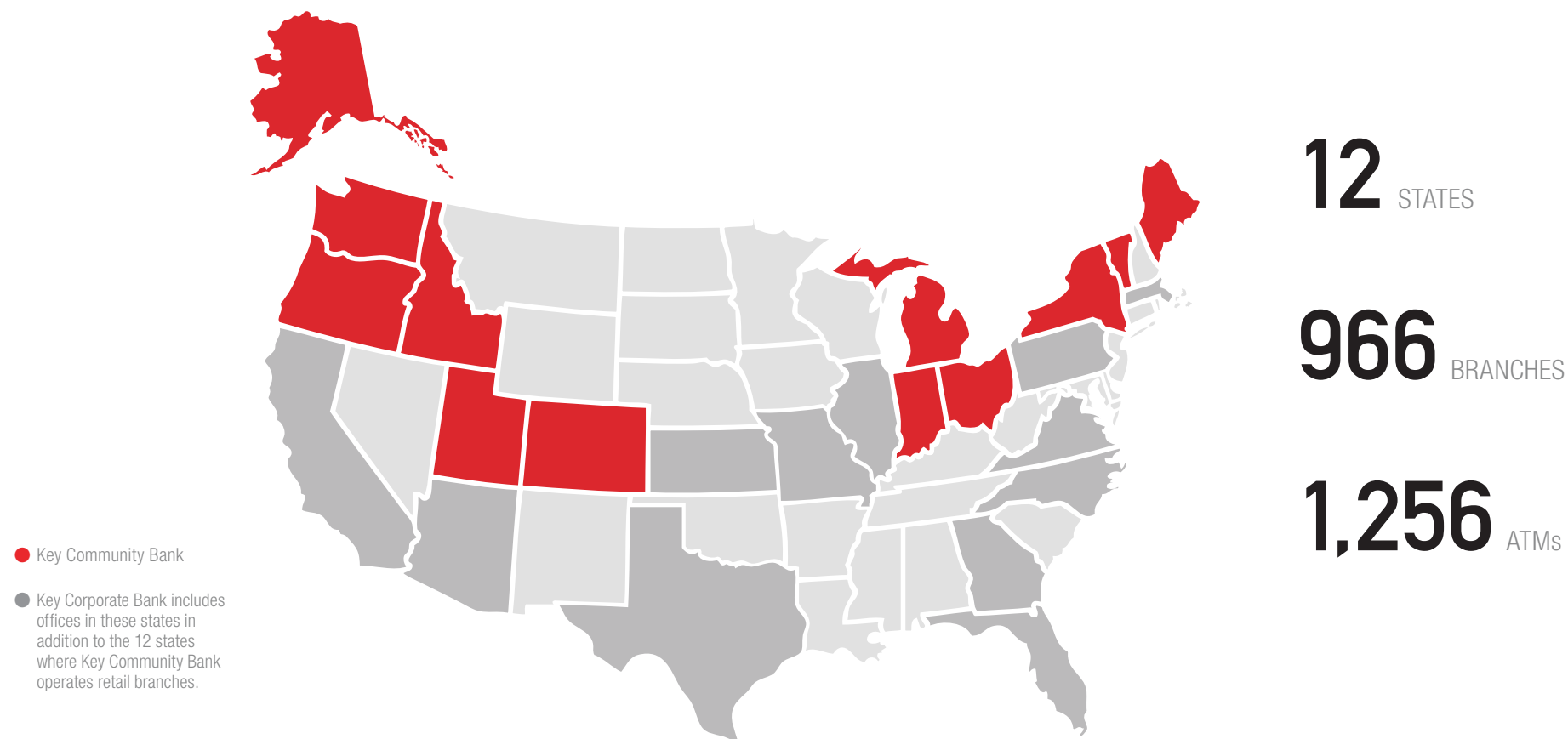
# About Key

Key has spent more than 160 years doing work that matters for clients, communities, and employees. By building enduring relationships, Key has become a company where people want to work, bank, and invest.

KeyCorp, headquartered in Cleveland, Ohio, is the parent holding company for KeyBank National Association (KeyBank), the principal subsidiary through which most of Key's banking services are provided. Key has two major business segments: Key Community Bank and Key Corporate Bank. Key Community Bank serves individuals and small to mid-sized businesses by offering a variety of deposit, investment, lending, credit card, personalized wealth management, and business advisory products and services. These products and services are provided through our relationship managers and specialists working in Key's 12-state branch network, which is organized into eight internally-defined geographic regions.

Key Corporate Bank is a full-service corporate and investment bank focused principally on serving the needs of middle market and emerging growth clients in seven industry sectors: consumer, energy, healthcare, industrial, public sector, real estate, and technology. Key Corporate Bank delivers a suite of banking and capital markets products, services, and expertise to its clients, including syndicated finance, debt and equity capital markets, commercial payments, equipment finance, commercial mortgage banking, derivatives, foreign exchange, financial advisory, and public finance.





Totals as of December 31, 2015

**\$95.1** BILLION  
in total assets

**\$4.26** BILLION  
in total revenue

**13,483** Average Full-Time  
Equivalent (FTE) employees

KeyBank and First Niagara Bank are joining forces to become the best regional bank in the U.S.

## Significant Organizational Changes

### Announcement of First Niagara Acquisition\*

On October 30, 2015, KeyCorp announced that it entered into a definitive agreement under which it will acquire First Niagara in a cash and stock transaction for total consideration valued at approximately \$4.1 billion. The two companies' cultures, business strategies, and commitment to the community are complementary in many ways.

"It's an exciting time for Key," said KeyCorp Chairman and CEO Beth Mooney. "This is a bright future for both of our companies and a transformational opportunity. We didn't do it just to become bigger; we believe we're a unique fit and that we'll be better together."

First Niagara, headquartered in Buffalo, New York, has \$39 billion in assets, \$29 billion in deposits, and 394 banking offices in New York, Pennsylvania, Connecticut, and Massachusetts. With approximately \$135 billion of assets, the combined bank will be the 13th largest commercial bank headquartered in the U.S. For more details regarding this pending acquisition, scheduled to be complete in the third quarter of 2016, please see the [press release](#).

\*Facts and figures as of October 30, 2015.

## Better Together



**"Our cultures, strategies, and collective commitment to the communities we serve are a great fit."**

*Chris Gorman, President, Corporate Bank  
Chair, KeyCorp's Corporate Responsibility Council*



**\$39** BILLION  
in total assets

**\$29** BILLION  
in total deposits

**394** Banking  
offices

# From Beth & Bruce



**Beth E. Mooney**

Thank you for your interest in KeyCorp's corporate responsibility (CR) efforts. With this report, we're proud to share with you significant 2015 investments and initiatives that will further strengthen and shape our legacy as a responsible bank, citizen, and environmental steward. As in all things, this is a journey.

Our stated purpose is to help our clients and communities thrive, and this includes the financial wellness of every client. Against the backdrop of increased regulatory requirements and economic pressure on the financial services industry, we are more focused than ever on participating in the economic expansion, revitalization, and resurgence of the communities we so proudly serve. Beyond traditional banking, we do this best through philanthropy, sustainability, diversity and inclusion, and community development.

In 2015, our Corporate Responsibility Council identified the CR topics most important to our stakeholders, and elevated four areas of impact that best represent KeyCorp's purpose: diversity and inclusion; economic inclusion and community vitality; green banking; and thriving employees. We believe these topics can most significantly affect near-term CR progress at Key. Given these priorities, we sharpened the KeyBank Foundation strategy with a continued annual \$18 million of transformative philanthropy to thriving students, a thriving workforce, and thriving neighborhoods. In keeping our emphasis on financial wellness, we also launched a partnership with HelloWallet,<sup>®</sup> an innovative online company that offers personalized financial guidance.



**Bruce D. Murphy**

Significant investment in underserved communities has long been one of our greatest strengths. At the end of 2015, KeyCorp had nearly \$2.5 billion extended in community development lending and investment, and we will continue to make significant investment in underserved communities.

At Key, we see diversity and inclusion as business accelerators. In 2015, we launched a new "Diversity Recruiting Strategy," with specific objectives for each line of business, which resulted in substantive changes in the composition of our candidates and new hires. For our good work, we were once again recognized by *DiversityInc* as one of the "Top 50 Companies for Diversity" and by the Human Rights Campaign, with a perfect score of 100 on the Corporate Equality Index, for the eighth time. In addition, *G.I. Jobs* named us a "Military-Friendly Employer" and "Military Spouse-Friendly Employer."

As a responsible corporate citizen, we are proud of the way we approach banking and operations. We hope you enjoy this report, and we thank you for being an important partner to us on this journey.

Sincerely,

A handwritten signature in black ink that reads "Beth E. Mooney".

**Beth E. Mooney**  
Chairman and Chief Executive Officer

A handwritten signature in black ink that reads "Bruce D. Murphy".

**Bruce D. Murphy**  
EVP, Head of Corporate Responsibility

To learn more about our corporate responsibility governance, visit the [report appendix](#).

Corporate Responsibility Governance

Key’s stated purpose is “to help clients and communities thrive.” Each day, Key recommits to fulfilling that promise in a responsible manner, making informed choices to the highest ethical standards for the benefit of shareholders, customers, employees, and communities.

Key’s Corporate Responsibility Group, led by Executive Vice President Bruce Murphy, oversees Key’s CR strategy and initiatives and is responsible for ensuring Key continues its longstanding responsible approach to banking, citizenship, and operations.

Assembled as the CR Group are: Community Development, KeyBank Foundation, Diversity and Inclusion, and Sustainability.

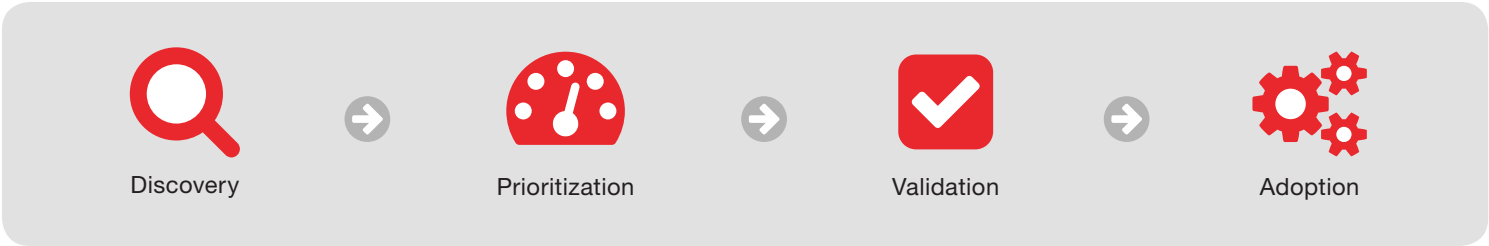
Distinct from Key’s CR Group is Key’s Corporate Responsibility Council, chaired by Chris Gorman, president of the Corporate Bank. The Council, comprised of senior leaders across the enterprise, acts as a governing body, providing leadership and ensuring the entire bank adheres to the CR priorities as it executes corporate strategy. The Council meets on a quarterly basis and works closely with the CR Group.

The manner in which Key’s CR efforts are organized permits efficient and effective change to take place. The structure allows for significant cross-departmental collaboration, greater employee engagement, more effective business processes, and greater value to stakeholders. In 2015, the strong CR management team provided oversight as Key assessed its most important CR “impacts” and “opportunities.”

“A conscientious corporate citizen strikes a balance between earning returns and a responsible means of doing so.”

Bruce Murphy, Executive Vice President, Head of Corporate Responsibility

Impacts and Opportunities assessment process





Through the identification of what is most important, we are better able to focus our attention on the topics that will accelerate our CR efforts.



\*These four CR topics were identified as business necessities and are considered prerequisites to running a successful business.

### Impacts Assessment and CR Strategic Planning

Through a comprehensive “Impacts and Opportunities Assessment,” which engaged stakeholders to identify and prioritize Environmental, Social, and Governance (ESG) topics, Key identified 10 ESG topics significant to managing the bank’s CR performance. Of the 10 significant topics, four were identified as “License to Operate,” which included topics that are business necessities requiring the bank to successfully manage in order to retain the right to conduct business, and six were identified as “Differentiators,” which included topics that help Key set itself apart from peers.

In addition, Key focused attention on four of the differentiator topics that it believes can significantly affect near-term progress to accelerate corporate responsibility at Key:

- Diversity & Inclusion
- Economic Inclusion & Community Vitality
- Green Banking
- Thriving Employees

Key remains focused on managing all 10 significant topics and is well-positioned to excel and make meaningful progress on them. To learn more about these topics and how Key is managing them, visit the [report appendix](#).

- Client Privacy & Data Security
- Diversity & Inclusion
- Economic Inclusion & Community Vitality
- Environmental Footprint
- Ethics, Compliance, & Risk Management
- Fair & Transparent Client Experience
- Green Banking
- Reputation & Financial Performance
- Supply Chain Practices
- Thriving Employees

Throughout the report, the significant CR topics being addressed in each section will be highlighted.

### Managing Key's CR Priorities

Successfully managing the most significant CR topics requires a disciplined and focused approach that is integrated into business strategy and aligned with the corporate culture. At Key, we are managing these significant CR topics in a way that becomes part of our daily routine and integrates into our business operations to create an approach that is sustainable.

#### Diversity & Inclusion

Key embraces creating a diverse and inclusive culture that fosters the attraction and retention of a diverse workforce that operates in a diverse workplace. We demonstrate this commitment through the depth and diversity of our Board of Directors, our leadership, diverse suppliers, our employees, and the community organizations we support.

#### Economic Inclusion & Community Vitality

Key builds thriving communities by investing in products and services that meet the needs of all individuals and

KEYCORP'S CR AREA OF FOCUS

- Client Privacy & Data Security
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- Thriving Employees

communities. We are committed to building the financial capabilities that enable our clients to make good financial decisions. We build our communities through investments of time, talent, and financial resources in organizations that align with our strategies and corporate values.

#### Green Banking

Key provides products and services that enhance our clients' efforts to improve efficiency and advance alternative energy. We promote the implementation of sustainability practices in client relationships and investments.

#### Thriving Employees

Key attracts and retains top talent by investing in a culture of inclusion, respect and engagement, professional development, and health and wellness. Together we create a strong sense of community, where each employee has the opportunity for personal growth, to do work that matters, and work in a place where results are rewarded.

To learn more about our approach to managing our most significant ESG topics, visit the [report appendix](#).

Significant CR topics  
on this page:

Client Privacy & Data Security

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To learn more about  
Key's stakeholder  
engagement activities,  
visit the [report appendix](#).



## Stakeholder Engagement

Banking is a relationship-based business, and how we engage with our clients and community is critical to our success. Key regularly communicates with all of its stakeholders, including clients, community organizations and leaders, shareholders, and analysts to learn about their greatest priorities and understand how to best support their objectives. All levels of the organization take an active role in engaging and maintaining strong

relationships with stakeholders, from employees working in our retail branches to the leaders of our 23 markets and various lines of business.

In 2015, we developed a robust community engagement plan to better align our business strategy to our CRA compliance efforts. In 2016 and beyond, we will begin to implement this community engagement plan and look forward to reporting on our progress in future reports.

# Responsible Banking

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Responsible banking means conducting the core business of banking with integrity, and it includes Key's products, services, pricing, and approach to clients. When Key builds products with fairness in mind, establishes consistent policies, and exhibits transparency, it builds trust with clients. The objective is financial success for clients and Key. Key also focuses on the creation of products and services that help clients and communities reduce resource consumption and make clean energy investments in support of a sustainable economy.

## Community Development Lending and Investment Expands

KeyBank Community Development Lending and Investment (CDLI) helps KeyBank fulfill its purpose to help clients and communities thrive by financing projects that stabilize and revitalize communities.

In 2015, under newly-appointed National Manager Rob Likes, CDLI announced the assembly of six senior-level leaders who will focus on affordable housing, lead more than 50 professionals, drive the expansion of Key's affordable housing platform from 12 to 50 states, and work to double the size of the business in the next three years. This expansion comes in the midst of the country's affordable housing crisis, a by-product of rising rental rates and median incomes, which have largely remained flat over the past several years.



Key is one of the few banks in the country with a fully integrated community development platform that brings together balance sheet, equity, and permanent loan products to affordable housing owners on a national basis. CLDI currently has approximately \$2 billion extended in the form of debt and equity to numerous community development and affordable housing projects in its footprint markets.

Our promise to clients: ***We will help you make better, more confident financial decisions.***



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## Strong Families Fund

In 2015, KeyBank committed \$25 million to the Strong Families Fund (SFF) in Ypsilanti, Michigan. Strong Families Fund is a 10-year joint initiative between the Kresge Foundation, Robert Wood Johnson Foundation, KeyBank, and several other entities. A national pilot and the largest pay-for-performance project in U.S. history, SFF provides for social services at affordable housing communities across the United States, as well as a study on the impact of those services on the residents. Resulting data will be used as a benchmark to measure an organization's ability to incorporate social services into affordable housing communities.

The first SFF project, located in Ypsilanti, will consist of 112 affordable housing units for families earning up to 60% of area median income. Key closed this investment in August 2015, with a commitment of \$16,456,060 in tax equity.



Home renovation funded by the Strong Families Fund.



The 18-unit Susitna Square townhome project in East Anchorage's Russian Jack neighborhood.

## Affordable Housing in Alaska

In Anchorage, Alaska, 72 affordable housing units have been developed at Susitna Square and Ridgeline Terrace, thanks, in part, to KeyBank. Key became an equity investor in the properties by purchasing \$10.5 million in federal energy and affordable housing tax credits. "This flagship project," says Key Community Development Corporation Vice President Jennifer Seamons, "demonstrates Key's commitment to the Alaska market and speaks to the high quality work being done in partnership with the Alaska Corporation for Affordable Housing and Cook Inlet Housing." The total project cost was \$29.5 million.

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## KeyBank Plus

KeyBank Plus is a unique combination of solutions designed to create economic stability and wealth-building in low-to-moderate-income communities. KeyBank Plus goes beyond “traditional” banking to help local residents achieve financial stability and their financial goals. An account is not required to participate in KeyBank Plus. The suite includes the following products and services:

- KeyBank Hassle-Free Account®
- Check cashing of payroll and government issued checks\*
- KeyBasic Credit Line
- Loan Assist
- Money Orders
- Savings products
- Free tax preparation (EITC) during Key’s annual Super Refund Saturday\*
- Home ownership products
- Free financial education courses
- One-on-one coaching

Offering choices and control is a high priority when Key develops products and services. All of Key’s offerings are intended to help clients make better, well-informed, confident decisions.

\*Currently only offered in select markets.



### Super Refund Saturday

During Key’s annual Super Refund Saturday, KeyBank employees work with nonprofit partners to help individuals navigate the complex tax preparation process and claim important Earned Income Tax Credit dollars. In 2015, more than 1,000 families took advantage of the service in 10 metropolitan areas. \$2.3 million in federal and state refunds were generated, and \$828,000 in Earned Income Tax Credit (EITC) was discovered and put back in the pockets of hard-working individuals.



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HelloWallet is not affiliated with, maintained, authorized, endorsed or sponsored by KeyBank, KeyCorp, or any of its affiliates. The HelloWallet name and logo are registered trademarks of HelloWallet, LLC.

In 2015, Key announced an agreement with HelloWallet,® an innovative financial guidance company that offers personalized financial guidance. HelloWallet helps Key build a financial wellness platform that delivers ease, value, and expertise to customers by giving them the ability to:

- Understand their financial wellness with innovative tools, such as a Financial Wellness Score
- View their complete financial picture through account aggregation
- Obtain personalized insights and guidance to help improve their financial wellness

“We are focused on our clients, who want to feel confident in their financial choices,” said Dennis Devine, co-president of KeyBank’s Community Bank and head of the Consumer segment. “Our partnership with HelloWallet provides our clients with a simple digital solution to make more confident financial decisions. This is an exclusive relationship – no other bank can offer this solution. Our goal is to transform retail banking by building a multi-channel financial wellness platform to deliver expertise and to close the confidence gap.”





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## KeyBanc Capital Markets

Since 2008, KeyBanc Capital Markets® (KBCM) has been investing in renewable power generation in the U.S. It has also provided services to clean technology firms in the smart grid, energy management, and pollution control sectors. Key is one of the largest lenders to the wind and solar sectors among U.S. banks and a national leader in renewable energy investments.

In 2015 alone, KBCM added more than 2,300 MW of capacity to its portfolio of investments. By the end of 2015, Key's renewable energy portfolio investment was more than \$3 billion, supporting more than 9,000 MW of renewable energy capacity. KBCM's renewable energy portfolio is part of a diverse portfolio of energy and utility investments that advances a responsible approach to energy development.

### Renewable energy investments

Year	Dollar Amount	MW Capacity
2013	\$1.2 Billion	5,200 Megawatts
2014	\$2.1 Billion	6,700 Megawatts
<b>2015</b>	<b>\$3.1 Billion</b>	<b>9,075 Megawatts</b>



### Springbok 1 Solar Farm

KeyBank N.A. provided D. E. Shaw Renewable Investments and 8minutenergy with \$287 million in credit facilities to help finance the \$323 million Springbok 1 Solar Farm in Kern County, California. The 137 MW-DC project, which is situated on nearly 700 acres of low-productivity farmland 70 miles north of Los Angeles, began development in 2011 and is expected to begin generating power in June 2016. Construction of the project is expected to support approximately 300 direct jobs. Once complete, the project will displace the equivalent of nearly 300,000 metric tons of carbon dioxide (CO<sub>2</sub>) per year, which is equal to the amount that roughly 12 million trees would displace annually.

**\$3.1** **BILLION** in renewable energy portfolio investment at the end of 2015

**2.7** **MILLION** homes: our \$3.1 billion investment in renewable energy has the potential to power the equivalent of more than 2.7 million homes



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## Key4Green

Supporting clients' sustainability goals is as important to KeyBank as achieving its own sustainability goals. Key encourages and helps its business clients make smart decisions, especially ones that involve energy efficiency and renewable energy investments. Through its innovative Key4Green platform, Key provides clients a solution-based approach and a suite of products and services that promote savings, including leases, capital leases, lines of credit, equipment term loans, and real estate loans.

Qualifying commercial projects may include any of the following elements:

- Lighting
- Water management
- Heating and cooling
- Upgrades for ventilation systems
- Solar panels
- Wind turbines
- Energy-efficient manufacturing equipment
- Biomass-based fuel sources
- Energy-efficient vehicle fleets

In 2015, KeyBank provided more than \$30 million in lending through the Key4Green platform and helped businesses invest sustainability in their facilities. KeyBank anticipates significant growth in Key4Green as it expands the platform across its footprint and introduces capabilities to new and existing clients.



### Financing of Motorcars Honda solar canopy

In 2015, Motorcars Honda completed construction of a 300 KW solar canopy in Cleveland Heights, Ohio. The canopy provides approximately 70% of the energy needs of the auto dealership and features an outdoor showroom that protects vehicles from the elements. In addition to the solar installation, completed by Dovetail Solar, the dealership invested in energy efficiency improvements, including an LED lighting retrofit. These improvements had an immediate positive cash value to Honda Motorcars and have greatly improved the customer experience. KeyBank financed the Motorcars Honda renovation through the Key4Green platform.

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# Responsible Citizenship

As a responsible corporate citizen, deeply committed to the communities it proudly serves, Key takes a focused approach toward diversity and inclusion, supplier diversity, philanthropy, and volunteerism. Key encourages its employees to participate and lead outside of their roles at Key as volunteers and as philanthropists. Through its employees, Key's core values are put into action wherever employees live and work.

## Diversity & Inclusion

A commitment to diversity and inclusion is integral to Key's success and is driven by Chairman and CEO Beth Mooney, the KeyCorp Board of Directors, Key's Executive Leadership Team, Key's Human Resources department, and Key's Diversity and Inclusion Council. Together, these groups own, partner, and champion diversity and inclusion at Key. With a focused strategy and governance structure, Key continues to make significant progress in cultivating an inclusive workplace to attract and retain a diverse workforce.

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## Diversity & Inclusion Recruiting Strategy

In 2015, Key's Talent Acquisition Leadership Team developed an exceptional diversity recruiting strategy, which is enabling Key to attract, hire, develop, and retain more diverse candidates.

Key enhanced its recruiters' abilities to source diverse talent, which resulted in unique and specific strategies for recruiting college students, veterans, and individuals with disabilities. In addition, to harness the power of teamwork, the Talent Acquisition Team began deepening external relationships with vendors, diverse associations and colleges, Key's line of business Diversity Champions, Key Business Networking Groups, and other stakeholders. A particular focus was placed on accountability and metrics in association with Key's talent planning processes. In addition, transparency and communication were elevated, resulting in an increased sharing of challenges, trends, and success stories.

All of Key's recruiters have participated in diversity-focused training, eight recruiters are now AIRS® certified, and quarterly diversity and inclusion-focused training is now delivered to the entire Talent Acquisition Team.



To bolster its recruiting efforts, Key launched a “Diversity and Inclusion Recruitment Careers Page” on [key.com](http://key.com), featuring a series of videos. The videos highlight current employees, engage future employees, and offer an in-depth glimpse on what it means to create an inclusive culture and a diverse workforce at Key. The page can be viewed at [careers.key.com/index.php](http://careers.key.com/index.php).

**“KeyBank has a long and proud legacy of diversity and inclusion. A business accelerator and part of our DNA, diversity and inclusion are reflected in who we are and what we do. We encourage our talented team of employees to bring their authentic selves to work each and every day.”**

Beth E. Mooney, *Chairman and Chief Executive Officer*

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The Columbus chapter of the Key Young Professionals (KeYP) at a kickball game that raises money for childhood cancer research

### Key Business Networking Groups (KBNGs)\*

KBNGs are Key's company-sponsored employee resource groups, open to all employees. The nine groups harness the knowledge and experiences of employees representing different dimensions of diversity:

- African-American
- Asian
- Champions of People with Disabilities
- Hispanic/Latino
- Jewish Cultural
- Key Executive Women's Network
- Lesbian, Gay, Bisexual, Transgender (LGBT) & Allies
- Military Inclusion
- Key Young Professionals

Bill Hartmann, Chief Risk Officer and executive sponsor of the Military Inclusion Key Business Networking Group, calls KBNGs "critical" to employee engagement and to Key's diversity and inclusion strategy.

### Key Shares its 'Pride'

In 2015, Key had many opportunities to show its Pride and especially celebrated the U.S. Supreme Court ruling on marriage equality.

The LGBT & Allies KBNG partnered with Key's local retail markets to participate in seven Pride festivals and parades. Each city's event was unique, and Key was proudly present to promote its diversity and inclusion values and develop new business connections.

Of special note was Key's inaugural participation in "Pride Northwest," in downtown Portland, Oregon, where a record-sized crowd lined the streets. More than 75 KeyBank employees and supporters, a Key-red convertible, and KeyToon represented Key at the festivities – the best showing of any financial services company in the area.

KeyBank markets that participated in city-wide Pride events in 2015:

- Albany
- Bangor
- Buffalo
- Cleveland
- Columbus
- Indianapolis
- Portland

\*At the date of this publishing we have changed the name of our employee resource groups to Key Business Impact Networking Groups (KBINGs)



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## Diversity & Inclusion Recognition

### Human Rights Campaign

KeyCorp has received eight perfect scores of 100 on the Human Rights Campaign's Corporate Equality Index, a national benchmark on how businesses serve and support lesbian, gay, bisexual, and transgender (LGBT) consumers, employees, and investors.

### DiversityInc

KeyCorp has been named six times to *DiversityInc* magazine's Top 50 Companies for Diversity, based on excellence in equitable talent development, talent pipelines, CEO and leadership commitment, and supplier diversity.

### GI Jobs

KeyCorp's enhanced focus on veteran outreach was recognized by *GI Jobs* when the organization named Key a "Military Friendly Employer" and a "Military Spouse Friendly Employer." Criteria included the strength of company military recruiting efforts and new hires, company policies on National Guard and Reserve service, and support for veterans and their families as they transition from military to civilian careers.



**43% DIVERSE\***  
KeyCorp Board of Directors



**36% DIVERSE\***  
KeyCorp Executive  
Management Team

### Diversity Starts at the Top

While still early in its journey, Key has made significant progress toward creating an inclusive environment that attracts and retains diverse top talent. Chairman and CEO Beth Mooney, the KeyCorp Board of Directors, and Key's Executive Leadership Team set the standard at the top, demonstrating it's essential for Key to have a workforce that reflects the clients and communities it so proudly serves. Key's leaders connect deep into the organization, at all levels and in all geographies, to embed this way of doing business. To learn more about Key's diversity and inclusion efforts, visit the [report appendix](#).

\*Based on minority and gender

**8X** **WINNER:** Human Rights Campaign's "Best Places to Work" for LGBT Equality

**6X** **WINNER:** *DiversityInc* Top 50 Companies for Diversity (2005, 2007-09, 2014-15)

**2X** **WINNER:** *DiversityInc* Top 10 Companies for Diversity Council (2014-15)

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## Supplier Diversity

Economic inclusion is an important part of KeyBank's overall diversity focus, and Key's commitment to maintaining a strong, diverse supplier base is longstanding. Key focuses on developing mutually beneficial business relationships with minority-, women-, veteran-, and LGBT-owned businesses that supply Key's needs. By providing open and fair opportunities for those diverse businesses to contract with the bank, Key builds the economic wealth of the communities it serves across the U.S. In 2015, 12.4% of KeyCorp's procurement budget was spent with diverse suppliers.

### DCR Staffing Supplier

In early 2014, Key Technology & Operations (KTO) and Corporate Procurement engaged in a Lean Six Sigma effort to enhance how Key uses and manages its Contingent Workforce Program, which includes the retention, management, and oversight of Key's contingent workers. One result of this Six Sigma project was the selection of a third party, DCR Workforce (DCR), to oversee the program. DCR is recognized as a market leader in contingent workforce and vendor management solutions.

To improve the efficiency and effectiveness of Key's vendor management process, DCR implemented a system called "Smart Track" in August of 2015, which is used to onboard resources, submit requisitions, competitively bid resource requests, and provide real-time reporting.

## Supplier Code of Conduct Development

Key's Supplier [Code of Conduct](#) is an extension of the Key Values: teamwork, respect, accountability, integrity, and leadership. These values, which play a vital role in defining Key and guiding decision-making and strategic planning, are embodied by all employees, and the company as a whole.

KeyBank is committed to ethical business practices and holds its suppliers to the same high standards. Through Key's Supplier Code of Conduct, Key articulates its expectations to the suppliers that provide goods and/or services to KeyBank and its affiliates. Guidance is provided on human capital, business ethics, privacy and confidentiality, intellectual property, regulated entities, and sustainability.

**"Key's Supplier Code of Conduct provides us the opportunity to communicate our core values, including integrity and accountability, directly with current and potential suppliers."**

*Tim Colborn, Senior Ethics Officer*

**12.4%** **CORPORATE SPEND**  
with diverse suppliers

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## KeyBank Foundation

KeyBank Foundation serves to fulfill KeyBank's purpose "to help clients and communities thrive." Its mission is to support organizations and programs that prepare people for thriving futures. In 2015, the Foundation's mission was advanced through funding priorities focused on "thriving students," a "thriving workforce", and through community service. For each of the past eight years, KeyBank Foundation has given approximately \$18 million to nonprofit organizations across the nation, in the form of philanthropy, corporate contributions, and volunteerism.

- Grants to "thriving students" are designed to improve the intellectual capital of communities. Through Key's grants, students are given opportunities to prepare for fulfilling careers through access to post-secondary and higher education, and they receive support for their academic success. Grant outcomes focus on preparation, access, attainment, and completion.
- Grants to a "thriving workforce" enhance the economic vitality of local communities by developing a prepared workforce. Grants focus on equipping adults with the necessary skills, education, and capabilities to meet current and future local employment demands, and grant outcomes focus on graduation, employment, and financial education.

In addition to Foundation grants to thriving students and a thriving workforce, KeyBank supports communities through charitable sponsorships to arts, civic, education, and health and human service groups.



KeyBank Foundation helps students through support of the Cleveland Metropolitan School District's STEM (Science Technology Engineering and Math) schools.

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Graduates at Cleveland's Ginn Academy.

### Ginn Academy Receives \$250,000 from KeyBank Foundation

In 2015, the KeyBank Foundation Board of Directors approved a \$250,000 grant to Ginn Academy, the first and only all-male public high school in Ohio. The grant will support academic performance and create additional workplace experience opportunities for the students of Ginn Academy, which was established to help local, urban adolescent males reach their full potential and beyond.

"By the end of the five-year grant, KeyBank will have touched the life of every student at Ginn Academy," said Ted Ginn Sr., executive director of the Ginn Academy. "We are grateful to KeyBank for believing in our students and look forward to partnering with them more in the future."

"We are proud to support a program that is focused on helping youth in Ohio achieve academic and eventual career success," says Margot Copeland, CEO and chairman of the KeyBank Foundation. "Ginn Academy is a strong institution with a motivated student body. This grant will help their young men seize even more opportunities for success."

### KeyBank Foundation Principles

All KeyBank Foundation grants, partnerships, and relationships are rooted in four important Principles:

- **Diversity and Inclusion:** A culture where diversity is valued and inclusion is fostered is reflected in everything Key does. KeyBank Foundation grants are made to organizations that practice a culture of inclusion among board, staff, and those they serve.
- **Transformation:** KeyBank Foundation is making a difference by changing the fabric of existing situations and the quality of life for individuals and groups. The Foundation seeks community partnerships when conducting grant-making activities. With community partners, the Foundation designs innovative programs and approaches that solve community needs and then backs those programs with philanthropic investment.
- **Measurable impact:** KeyBank Foundation grant-making changes the quality of life for individuals in measurable ways. Grantee reporting to the Foundation is rigorous and demonstrates social return on philanthropic investment through measurement of program performance.
- **Sustainability:** When grant-making considers the root causes of problems, takes a long-term view, and incorporates a broader social vision, it catalyzes change that endures. Maintaining the positive changes over time and continually improving upon them is the goal.



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Artistic rendering of the planned UVMC inpatient facility.

### Vermont Medical Center Future of Nursing Program

KeyBank has been a proud partner of University of Vermont Medical Center (UVMC) for more than 50 years. In 2015, KeyBank Foundation granted \$175,000 to UVMC and its College of Nursing and Health Sciences (CNHS) to strengthen the nursing profession and support construction of a new inpatient bed facility.

The CNHS will receive \$75,000 to increase the number of nurses who pursue baccalaureate degrees in Vermont, educate nurse practitioners about establishing their own practices, and increase educational opportunities for “New Americans” interested in nursing and health careers.

The remaining \$100,000 will help fund UVMC’s planned 128-bed inpatient facility, designed to increase the number of single-patient rooms from 30% to 90%. Private rooms have been shown to enhance quality of care, improve the healing environment, and provide more room for families, all of which align with the Center’s focus on providing patient- and family-centered care.

### University of Colorado Recognizes KeyBank with “Corporate Partner Service Award”

The University of Colorado Leeds School of Business recognized KeyBank with its “Corporate Partner Service Award” for Key’s sustained commitment, support, and exceptional service to the School, the University, and the community. Two keystone programs comprise Key’s partnership with the school.

The KeyBank Business Leadership Program develops top high school students from diverse backgrounds, especially those who are underrepresented, such as women and students of color. The program focuses on business knowledge, teamwork, corporate engagement, and the value of diversity, all on the UC-Boulder campus. Students work together on a business capstone project and compete to win a \$1,000 scholarship to the University of Colorado Boulder Leeds School of Business.

The Summer Bridge Program focuses on business math readiness, writing, critical thinking skills, and the challenges of business. The program is rigorous and includes lessons in microeconomics and Microsoft Excel, as well as a number of unique workshops. Students in the program spend three weeks preparing for classes and developing meaningful relationships with faculty, staff, and peers.

KeyBank and KeyBank Foundation partnered with the University of Colorado’s Office of Diversity Affairs to develop the two programs.

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## Community Leadership Giving and Employee Matching Grant Program

Key employees help their communities thrive and are strongly supported in their volunteerism by KeyBank and KeyBank Foundation.

Key provides employees resources so they can become more involved, such as schedule flexibility with supervisor approval and corporate matches to their personal contributions. KeyBank Foundation encourages employees to volunteer on nonprofit boards and takes an active role in matching employees with interested nonprofits.

In support of employees' board service, Key provides an annual \$500 Community Leadership Grant when they serve as board members (for up to four organizations, or a total of \$2,000). Key's matching gift process allows an employee to make a gift to a nonprofit and then request a matching amount from Key (up to \$2,000), which is sent directly to the organization. Through Key's matching gift program, employees have a "say" in how and where KeyBank gives.



Highlighting their commitment to our communities, Key team members volunteer at the Cleveland Christian Children's Home during the company's 25th annual Neighbors Make The Difference® Day.

## Neighbors Make the Difference® Day

In May 2015, more than 6,000 Key employees, from Alaska to Maine, took part in Key's 25th Annual Neighbors Make the Difference Day. Participating in a wide array of projects, Key employees volunteered in their local communities, helping more than 700 nonprofit agencies.

"This is our most organized and visible volunteer effort, and what inspires me is that the caring stretches far beyond a single day," says CEO Beth Mooney. "I'm proud of our employees who give so much to Key, our clients, each other, and our communities. Their volunteerism and personal philanthropy is apparent on Neighbors Day and throughout the year, in countless meaningful ways."

The signature event for Key strongly resonates with partners and employees, who participate year after year.

**"With community partners, we design innovative programs and approaches that solve community needs and back those programs with thoughtful investment."**

Margot Copeland, *Chair and CEO, KeyBank Foundation*

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# Responsible Operations

As a responsible bank, Key keeps safety and security at the forefront as it seeks opportunities to reduce operation costs. It takes all of Key's employees to make this happen. Key employees are engaged, supported, and encouraged in their roles to advance Key's sustainability efforts and drive improvements in business operations. The result of the collective effort is greater value to Key's clients, communities, employees, and shareholders through greater business efficiency and effectiveness.

## Our promise to employees:

***Together we have a strong sense of community, where each of us has the opportunity for personal growth, to do work that matters, and work in a place where our results are rewarded.***



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## Engaging and Developing our Employees

### KeyBank Leadership Programs

CEO Beth Mooney knows the positive effect that great leaders have on their teams and Key. As a result of Mooney's commitment to employee development efforts, in 2014 Key implemented a series of new leadership development programs for leaders across the company, as well as performance management training for leaders, and a new onboarding program for newly hired executive leaders. The integrated suite of leadership and manager development curricula gained momentum in its second year.

"These programs brought together more than 200 of our collective best and brightest from across the company in 2015. They learned together, from each other, and from world-class thinkers and companies external to Key. We are making an investment every day in our most important asset – our people," says Mooney.

Key's leadership programs include:

- **The Executive Development Program (EDP)** is designed to provide focused and stretched development to senior leaders, focusing them on some of the most important business topics at Key.
- **The Accelerated Leadership Development Program (ADP)** is a targeted, leadership development experience stretching over a full year and designed to engage high-potential leaders across the organization.
- **Leading for Growth (LFG)** is a three-day leadership development program designed to equip Key's leaders with the knowledge, tools, and skills to successfully lead in a high-performance-driven growth company.
- **Managing at Key (M@K)** is a manager development program designed to equip first-time and new-to-Key managers with the knowledge, tools, and skills to drive performance and improve engagement.
- **New Hire Executive Onboarding Program:** Several times per year, CEO Beth Mooney hosts an onboarding luncheon with executive leaders new to Key.

Through these leadership development programs, Key supports top talent by providing them the professional development opportunities to succeed and build careers at Key.

**"Our Leadership Development efforts represent an investment in our people by providing them with the professional development experiences needed to reach their full potential here at Key."**

Brian Fishel, *Director of Talent Management*



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## Flexible Workplaces

KeyBank makes every effort to support a diverse and inclusive workforce, and offers a flexible working environment that accommodates a wide variety of work styles and life demands. A mobile working environment can have a significant impact on a company's environmental footprint. When Key optimizes its square footage by creating flexible workplaces, and provides the option of working from home, emissions from daily commutes decrease. More than half of Key's employees worked remotely at least once in 2015 and approximately 3.8% work remotely full-time.

## Mobile Work Zones

Key's mobile work zones, at select Key corporate facilities, enable employees to be productive when they are away from their daily workspace. In 2015, Key opened a mobile work zone on the ninth floor of Key Tower. The zone consists of more than 50 cubicles, offices, huddle rooms, meeting spaces, and storage lockers, all available on a first-come, first-served basis. All employees are welcome to use the mobile zone at Key Tower, whether they are visiting Cleveland from one of Key's other markets or simply coming from across the street for meetings.



The mobile work zone at KeyBank's Tiedeman Campus in Cleveland, Ohio.

**“Our mobile work zones create flexible working environments for our employees and optimize the use of our corporate office space.”**

*Kane Kretzinger, Director of Corporate Real Estate Solutions*

**3.8%** **MOBILE FULL TIME:**  
Key's employees who  
work remotely full-time

**60%** **PARTICIPATION:** Key  
employees who participated in  
remote access day in 2015

**15** Key corporate facilities  
that have mobile  
work zones

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## Engaging Employees on Sustainability

Employees are Key's most important resource, and their ideas and energy are critical to helping Key operate responsibly and reduce its environmental footprint. Key engages its employees at every turn to help build a more sustainable enterprise. Employees are especially involved in celebrating two national events that act as bookends to Key's annual sustainability activities: EarthDay in April and America Recycles Day in November.

### Green Office Week + EarthDay

A week of learning and opportunity was the focus of Key's inaugural Green Office Week, which was held April 20-24 and incorporated Earth Day on April 22. During the week, employees recycled more than 11,000 pounds of paper and electronic devices from home; submitted sustainability ideas – many of which were turned into 2016 initiatives; and learned how Key's people-driven technology and culture changes have accomplished a 60% reduction in paper use since 2009.

The collective decisions of 14,000 employees have a significant effect on the environment, and Key is proud to help employees consider their personal decisions and connect actions to outcomes. Green Office Week 2015 was a powerful way of engaging employees on sustainability in the workplace.

## "To Improve" Idea Sprint

Key's Technology and Operations group led a change management and software application program called "To Improve," to solicit and implement employee ideas. During Green Office Week, they hosted an idea sprint to gather suggestions on how Key can be more sustainable. Many ideas were submitted, and common themes arose, including recycling and paper waste.

Each idea was vetted for feasibility and, wherever possible, ideas were acted on and employees were kept apprised of outcomes. Achievable technology and process-based ideas were added to implementation roadmaps for 2016. Recycling and waste reduction suggestions resulted in clearer recycling signage, adjusted bin placement, and employee events.

### America Recycles Day: Office Supply Swap

In November, we held popular Office Supply Redistribution events in three locations in honor of America Recycles Day. Employees were encouraged to collect office supplies they no longer needed, drop them off at a central location, and then take any supplies they needed for business purposes. About two-thirds of supplies were redistributed internally and more than 75 packing boxes were filled by volunteers and donated to two local nonprofits suggested by employees.

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### Operational Efficiency: KeyBank Corporate Real Estate Solutions

KeyBank Corporate Real Estate Solutions (CRES) continues to lead many of Key's responsible operations activities and continued to make significant facility and operational improvements throughout 2015.

CRES implemented Schneider Electric's online energy and emissions data tool to make more informed energy and waste management decisions. The data calculated, calibrated, and provided by the "Resource Advisor" software provides Key an essential perspective.

Key also continued to expand the types of emissions data it tracks and manages, and gained a more complete view of its energy and emissions profile. Thanks to collaboration between Key's Sustainability and Corporate Real Estate Solutions teams, as well as employee-driven initiatives, Key is proving it can make significant progress reducing its environmental footprint while reducing expenses.

In 2015, KeyBank reduced its energy use by 11%. In addition, KeyBank continues to make significant investments to improve energy efficiency in select facilities across its footprint.



**8.7** MILLION square feet:  
KeyCorp real estate  
footprint

**48%** Approximate square footage  
of Key's corporate facilities  
that is LEED certified

**11%** REDUCTION in energy  
use over our 2014 energy  
consumption

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## 2020 Responsible Operations – Goals and Performance

Category	2015 Performance	2020 Goal
GHG emissions Scope 1 & 2	35.5% absolute reduction of our Scope 1 & 2 emissions over our 2009 baseline*	30% absolute reduction of our Scope 1 & 2 emissions over our 2009 baseline
Energy use	26% reduction in direct and indirect energy use over our 2009 baseline*	25% reduction on direct and indirect energy use over our 2009 baseline
ENERGY STAR	47% of square footage has an ENERGY STAR score of 75 or greater	50% of square footage with an ENERGY STAR score of 75 or greater
Paper usage	4.7% reduction of back office and retail paper usage over our 2014 baseline	30% reduction of back office and retail paper usage over our 2014 baseline
Waste	70% waste to landfill diversion	75% waste to landfill diversion

\*Approximately 14% of the energy and emissions reductions were due to facilities closures, mild temperatures, and cleaner emissions of Key's power supply.

Key is proud of the focus its Corporate Real Estate Solutions group places on reducing consumption, primarily through:

- Selecting energy efficient fixtures and materials when updating facilities
- Installing building management systems that decrease energy consumption
- Increasing the use of underutilized space at KeyBank facilities

In 2015, we exceeded our 2020 goals in both emissions and energy reductions. We increased the square footage achieving an ENERGY STAR score greater than 75 by nearly 17% and reduced paper usage by nearly 5%. Across our footprint we are proud of the progress we have made and we remain focused on improving our business operations to reduce the environmental impact of Key.



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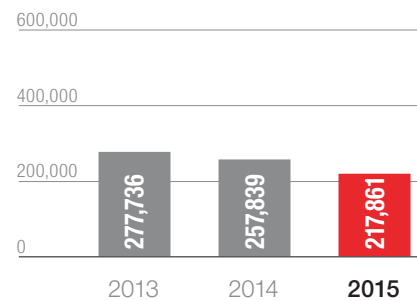
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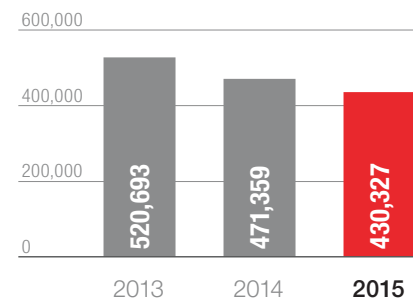
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## 2015 Energy Consumption (GJ)

### Direct Energy



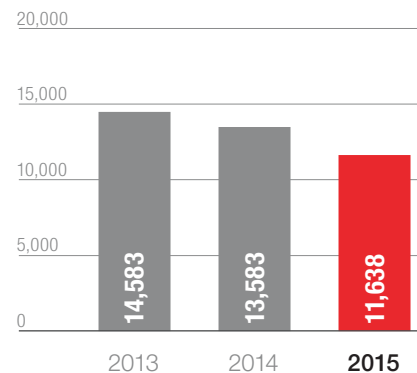
### Indirect Energy



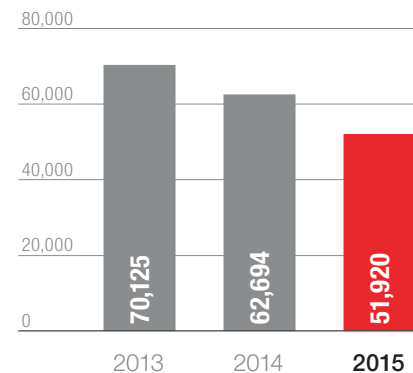
Approximately 14% of Key's emissions reductions were due to mild weather conditions, a cleaner emissions profile of its power supply, facility closures, and an updated EPA profile. Approximately 4% of the reductions were due to investments in energy efficiency and changes in Key's building portfolio. All factors combined resulted in exceeding Key's 2020 emissions and energy reduction goals.

## CO2 emissions (mtCO2e)

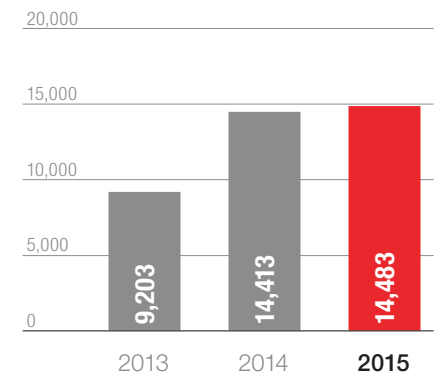
### Scope 1



### Scope 2



### Scope 3



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Financial Performance](#)• [Supply Chain Practices](#)[Thriving Employees](#)**Waste Reduction and Recycling**

Paper waste remains one of Key's largest waste streams, so Key is focusing many of its efforts on reducing paper usage. The Key Technology and Operations (KTO) team leads Key's paper reduction efforts and, through a confidential shred vendor, Key recycles nearly 100% of its office paper. Further, Key manages co-mingled office waste and is making continuous improvement with onsite recycling efforts at many corporate and retail facilities. Key will continue to make advances in waste reduction by engaging employees and encouraging new behaviors.

**Paper Reduction Efforts**

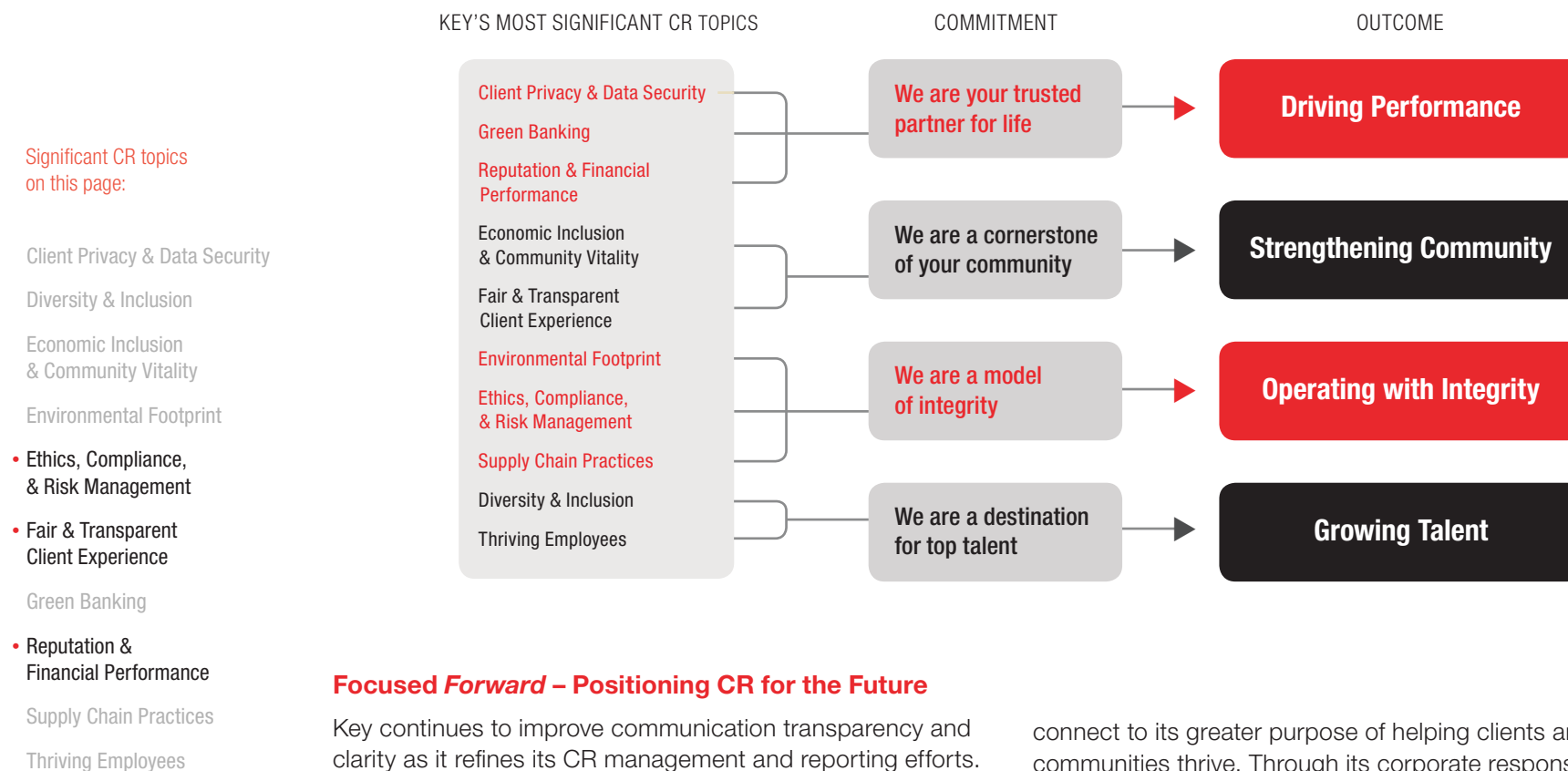
Over the past four years, Key has made great efforts to reduce paper usage at its corporate facilities and retail offices through behavior change, technology improvements, and controls and policy changes. The results of Key's efforts can be seen in the 5.8 million sheets of paper saved over 2014, and the 61% reduction since 2008 in our corporate offices. In addition, Key continues as an industry leader in encouraging customers to use mobile banking and e-statements. Key has had tremendous growth in mobile usage, resulting in a 24% increase in mobile web and mobile application users, with more than 430,000 active mobile accounts and 50 million mobile sessions. More than 80% of Key's consumer accounts utilize e-statements, and more than 1.2 million checks were deposited via mobile devices last year, eliminating the need for paper deposit slips or ATM receipts.

**2015 recycling totals**

Waste type	Waste recycled (tons)
Comingled	235.4
Bank Equipment	110.0
E-Waste	82.1
Furniture	118.7
Metal	59.0
Paper	41.3
Shredded Paper	3,735.7*
<b>Total Recycled</b>	<b>4,382.2</b>

\*15% reduction in shredded paper over the previous year.

**70%** WASTE TO LANDFILL  
DIVERSION in 2015



### Focused Forward – Positioning CR for the Future

Key continues to improve communication transparency and clarity as it refines its CR management and reporting efforts. Key has aligned its CR reporting framework with both the GRI-G4 standards and the bank's 10 most significant stakeholder topics, identified in 2015. Looking to 2016, Key will continue to align these 10 ESG topics with its four principle CR commitments and intended outcomes that will clearly demonstrate CR progress at Key.

With greater clarity around the areas of greatest opportunity and impact, Key remains focused on CR activities that

connect to its greater purpose of helping clients and communities thrive. Through its corporate responsibility work, Key continues to shape a company that upholds the values of teamwork, respect, accountability, integrity, and leadership in all it does. Further progress will be shared in Key's 2016 CR report.

More detailed disclosures and additional information related to Key's environmental, social, and governance performance can be found in the report appendix and GRI [content index](#).

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## Awards and Accolades

- One of America's 50 Most Community-minded Companies; The Civic 50
- More than 100,000 company-funded employee volunteer hours since 2013
- *DiversityInc* Top 50 Companies for Diversity (6x winner)
- *DiversityInc* Top 10 Companies for Diversity Councils (2x winner)
- "Best Places to Work for LGBT Equality;"  
Corporate Equality Index; Human Rights Campaign (8x winner)
- CDP S&P Climate Disclosure Leadership Index
- Top 100 Military Friendly Employers; *G.I. Jobs*



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This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements usually can be identified by the use of words such as “goal,” “objective,” “plan,” “expect,” “assume,” “anticipate,” “intend,” “project,” “believe,” “estimate,” or other words of similar meaning. Forward-looking statements provide Key’s current expectations or forecasts of future events, circumstances, results or aspirations. If underlying assumptions prove to be inaccurate or unknown risks or uncertainties arise, actual results could vary materially from these projections or expectations. Factors that could cause Key’s actual results to differ from those described in the forward-looking statements can be found in KeyCorp’s Form 10-K for the year ended December 31, 2015, as well as in KeyCorp’s subsequent SEC filings, which have been filed with the Securities and Exchange Commission and are available on Key’s website [www.key.com/ir](http://www.key.com/ir) and on the Securities and Exchange Commission’s website [www.sec.gov](http://www.sec.gov). Forward looking statements speak only as of the date they are made and Key does not undertake any obligation to update the forward-looking statements to reflect new information or future events. ©2016 KeyCorp. KeyBank is Member FDIC. 160419-70876