



## Environment



### Financing renewable energy

How we invest is essential to ensuring strong and resilient communities. We know that our actions help support a bright future. Key supports sustainability through green buildings, energy efficiency, high-efficiency vehicles, and renewable energy. We do this through our investment products in Key Private Bank, equipment financing through Key Equipment Finance,<sup>®</sup> residential solar partnership with Dividend Finance, and capital investments through KeyBanc Capital Markets.<sup>®</sup>

**\$5.2B**

investments in renewable energy

**35.9GW**

cumulative capacity for 2020, a 2.9 gigawatt increase

### KeyBanc Capital Markets ESG Bonds

KeyBanc Capital Markets actively participated in nine ESG bond offerings in 2020, with proceeds totaling more than \$7 billion to support environmental and social benefits. As an example, in March 2020 Key co-managed the placement of \$1.6 billion in green bonds to fund a utility company in New York State. These bonds are used to make investments in projects and customer programs that improve system efficiency and energy-use management, thus reducing usage and greenhouse gas emissions. As a further example, Key acted as joint bookrunner in September 2020 for the placement of \$400 million in green bonds to fund a national utility cooperative for the purposes of funding sustainable projects in essential services and renewable energy.

### Renewable energy investments

KeyBanc Capital Markets<sup>®</sup> (KBCM) continues to invest in renewable power generation in the U.S. and provides services to clean technology firms in the smart grid, energy management, and pollution control sectors. Key is one of the largest U.S. bank lenders to the wind and solar sectors and a national leader in renewable energy investments.

At year-end 2020, we had committed \$5.2 billion to renewable energy projects, representing a cumulative capacity of 35.9 GW, a 2.9 GW increase compared to 2019.

KeyBanc Capital Markets is proud to be included in one of the largest financing deals for a utility-scale standalone battery storage project. In December 2020, KBCM successfully financed AES Corporation's \$154.2 million Luna Storage project, a 400-megawatt hour standalone lithium-ion battery storage project. Luna is expected to be commercially operational by the third quarter of 2021, and once operational, the project will generate revenue under a 15-year full-toll capacity contract with Clean Power Alliance.



## Key Equipment Finance

As recognized leaders in renewable energy, Key Equipment Finance (KEF) helps clients achieve energy efficiencies by providing tailored equipment and lease financing solutions.

In 2020, KEF assisted a Fortune 100 technology company in financing \$74 million in energy efficiency upgrades at 56 sites across the United States, saving them \$17 million annually. The project will reduce total electricity use for lighting at these sites by 71%, thereby eliminating 138,530 tons of annual CO<sub>2</sub> emissions—the equivalent of taking 26,911 cars off the road annually.

**\$15B**

renewable energy investments since 2012

**\$224MM**

residential solar loans in 2020

## Aggregate Results

Asset Type	Amount Financed	MW	Transactions
Energy efficiency	\$127 MM	N/A	27
Fuel cells	\$485 MM	62	90
Solar	\$661 MM	291	304
<b>Total</b>	<b>\$1.2B</b>	<b>353</b>	<b>421</b>

Since 2012, Key has invested more than \$15 billion in renewable energy. In 2020, KeyBank was ranked #2 when measured by deals, and #3 on a volume basis by Dealogic in the Americas for Renewable Energy Project Finance. 2020 was KBCM's sixth consecutive year finishing in the top three. Recognizing the critical need to mitigate the impact of climate change, Key has committed to investing an additional \$4 billion in renewable energy and sustainability.

**\$4B**

committed to renewable energy and sustainability in our Community Benefits Plan

## Residential Solar at Key

Since launching the residential Solar Loan Partnership with Dividend Finance in 2019, KeyBank has financed \$344 million of residential solar loans, \$224 million in 2020. Key was one of the first regulated banks to collaborate with Dividend.



## Sustainable operations

Using a 2016 baseline, KeyBank's 2030 and 2050 carbon emissions reduction goals align with the Science-Based Target Initiative to ensure we are doing our part to reduce our environmental impact. Since 2016, we've reduced GHG emissions by 24% and energy consumption by 22%.

### 2030 Goal:

**40% reduction** in combined scope 1 & 2 emissions over a 2016 baseline

### Progress:

Key has achieved **61%** of our 2030 goal

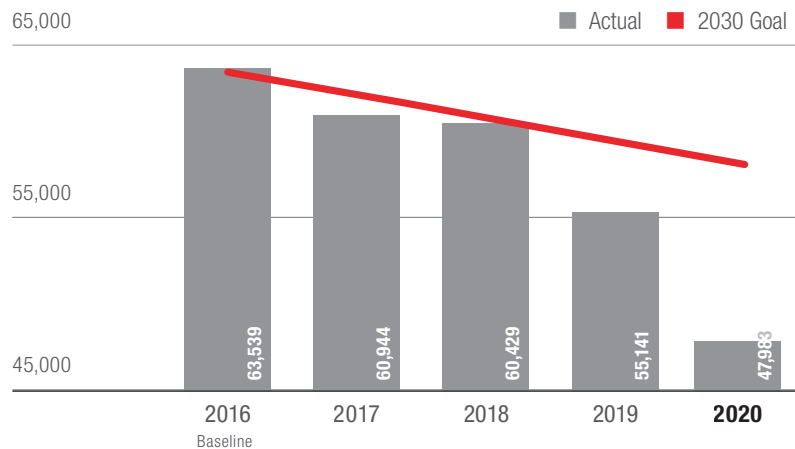
### 2050 Goal:

**80% reduction** in combined scope 1 & 2 emissions over a 2016 baseline

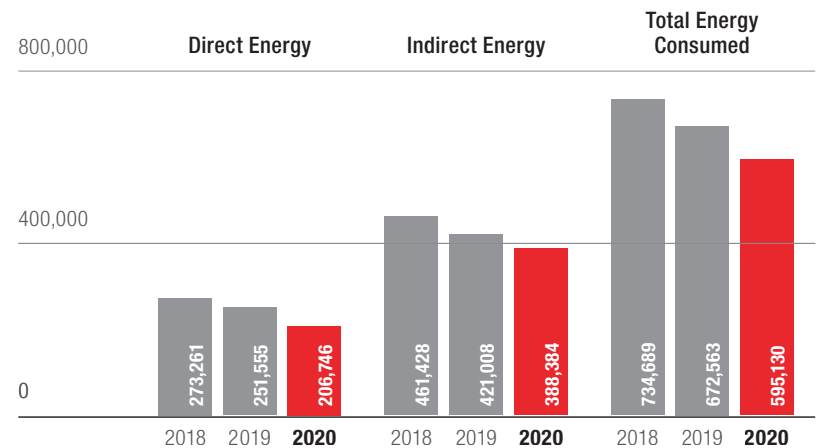
### Progress:

Key has achieved **31%** of our 2050 goal

## Scope 1 & 2 GHG Emissions



## Energy Consumption (GJ)





## Environmental sustainability

We continue to see the positive environmental impacts of Key's multiyear effort to optimize our operations. From paper to occupied space, reducing usage is critical to meet our sustainability and efficiency goals.

### 2020 KeyBank Waste Reduction & Recycling Annual Comparison\*

Waste Type	Waste Diverted (Tons)			% change from 2019
	2018	2019	2020	
Bank Equipment	65	64	31	-52%
Compost	49	21	7	-64%
E-Waste	22	171	24	-86%
Furniture	32	54	5	-92%
Metal	155	2	0	-77%
Paper	27	19	8	-56%
Shredded Paper	4,255	1,769	309	-83%
Commingled	279	246	296	20%
<b>Total Recycled</b>	<b>4,884</b>	<b>2,345</b>	<b>681</b>	<b>-71%</b>
<b>Solid Waste</b>	<b>3,304</b>	<b>2,900</b>	<b>2,621</b>	<b>-10%</b>
<b>Diversion</b>	<b>60%</b>	<b>45%</b>	<b>21%</b>	

**“ Building thriving communities includes taking care of our environment. At Key, we’re accelerating efforts to reduce our environmental footprint. From evaluating our own operations and the activities we finance to understanding the environmental impacts of our supply chain, we’re committed to creating more resilient neighborhoods for our clients and communities.**

– Trina Evans, Chief of Staff  
& Director of Corporate Center





### Environmental risk management

Our clients are exposed to a myriad of risks related to climate change, natural disasters, and unexpected events. The increase in severe weather events, along with the pandemic, underscore the need for heightened monitoring. Over the past two years, we've made enhancements to our credit risk data mart, including improved geographic mapping of client exposures and ability to identify sub-industry exposure by NAICS Code. This has allowed us to better monitor restricted high-carbon contributors such as the coal industry, to monitor weather-related exposures such as agriculture and to support greater investment in "clean" technologies such as solar and wind. The bank has teams that specialize in underwriting by industry. This allows for a heightened level of due diligence on potential deals that may be most affected by climate change, as well as regulatory and legislative changes expected to be focused on climate change. Further, we have implemented a centralized process to quickly identify and analyze potential losses when natural disasters occur.

At the highest level of Key, management shares responsibility in setting and executing corporate strategies that support environmental sustainability, including the CEO, Executive Leadership Team, and the Board of Directors. While ESG oversight is spearheaded by the Director of Corporate Center, the entire Executive Leadership Team (CEO and direct reports) shares accountability. Managing the company's reputation requires monitoring and addressing ESG topics. Therefore, ESG topics are frequently discussed in leadership meetings, including the Corporate Responsibility Council.

ESG factors are also managed by the Board of Directors, and is a particular area of focus for Key's Nominating and Corporate Governance Committee.

The Director of Corporate Center leads frequent updates and discussions of ESG during weekly meetings with the CEO and his direct reports (Executive Leadership Team). The Head of Corporate Responsibility and Community Relations (direct report to the Director of Corporate Center) provides regular updates and reporting to the Executive Leadership Team and to leaders and teammates throughout the enterprise, considering all perspectives as we pursue our goals of conducting business fairly and responsibly.

### Supply chain and sustainability



In 2020, Key was recognized by CDP as a Supplier Engagement Leader for engaging our suppliers on climate change and playing a crucial role in the transition toward the net-zero sustainable economy.

For the first time, KeyCorp is among the top 7% assessed for supplier engagement on climate change, based on our 2020 CDP disclosure.



## 2020 KeyBank GHG Environmental Data<sup>1</sup>

Total Active Sites <sup>2</sup>	1,644	1,560	1,354		
Teammate Headcount (full year average)	18,180	17,045	16,826		
CDP Climate Change Survey Score	<b>B</b>	<b>A-</b>	<b>B</b>		
<b>Scope/Source (MT CO2e)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>%Δ from 2019</b>	<b>%Δ Baseline<sup>3</sup></b>
<b>Scope 1</b>	<b>14,525</b>	<b>13,307</b>	<b>10,806</b>	<b>-18.8%</b>	<b>-21.2%</b>
Natural Gas	11,522	10,795	9,241	-14.4%	-16.8%
Diesel - Stationary	79	70	64	-8.1%	-37.9%
Propane	517	449	341	-24.2%	-5.3%
Number 2 Fuel Oil	1,219	1,128	904	-19.9%	-5.6%
Jet Fuel (Jet A or A-1)	1,188	864	256	-70.3%	-78.5%
<b>Scope 2 - Location Based</b>	<b>45,904</b>	<b>41,834</b>	<b>37,177</b>	<b>-11.1%</b>	<b>-25.4%</b>
Electric Power	45,904	41,834	37,177	-11.1%	-25.4%
<b>Scope 2 - Market Based</b>	<b>46,029</b>	<b>49,532</b>	<b>37,897</b>	<b>-23.5%</b>	<b>-27.1%</b>
Electric Power	46,029	49,532	37,897	-23.5%	-27.1%
<b>Scope 3</b>	<b>52,969</b>	<b>60,077</b>	<b>71,273</b>	<b>18.6%</b>	
Air Travel - Long Haul	2,739	2,494	473	-81.0%	
Air Travel - Medium Haul	9,701	8,430	1,979	-76.5%	
Air Travel - Short Haul	569	407	80	-80.5%	
Business Travel - Rental Car	1,716	1,139	371	-67.4%	
Business Travel - Intercity Rail	19	14	2	-84.3%	
Business Travel - Reimbursed Car	4,116	4,116	27	-99.3%	
Capital Goods	4,091	2,078	2,048	-1.5%	
Electric Power - Upstream Leased Assets	9,696	10,210	8,360	-18.1%	
Electric Power - Upstream T&D Loss	683	2,144	1,890	-11.8%	
Homeworking and Commuting <sup>4</sup>	17,287	17,174	43,030	150.5%	
Purchased Fuels - Upstream	-	1,731	1,551	-10.4%	
Purchased Goods and Services	-	3,213	3,258	1.4%	
Upstream Transportation	-	4,675	7,052	50.8%	
Waste generated in operations	2,353	2,250	1,153	-48.8%	
<b>Totals</b>					
Total Scope 1 & 2 (Location Based)	60,429	55,141	47,983	-13.0%	-24.5%
Total Scope 1 & 2 (Market Based)	60,554	62,839	48,703	-22.5%	-25.9%
Total All Scopes (Location Based)	113,398	115,218	119,256	3.5%	
Total All Scopes (Market Based)	113,523	122,916	119,976	-2.4%	

<sup>1</sup>As of 4/30/2021. <sup>2</sup>Includes direct billed ATMs. <sup>3</sup>Baseline data from 2016.

<sup>4</sup>Homeworking emissions include energy use from office equipment, home heating, and cooling.