Thriving Planet

Key is committed to expanding our strong legacy of climate stewardship — taking bold actions to reduce greenhouse gas emissions, become carbon neutral in our operations, and support environmental equity. Our responsible business practices and investments are making a measurable impact on reducing our environmental footprint and building more sustainable communities. We help clients transition to a low-carbon economy through consultation, renewable energy finance, and sustainable product offerings. To deepen our impact, we are activating those around us, encouraging teammates, suppliers, and other stakeholders to practice more sustainable behaviors. We monitor risks related to climate change and are adapting operational practices to reduce our environmental footprint.

Climate stewardship

With each wildfire, flood, and extreme storm, it is increasingly clear that our planet is under stress. Given the devastating impacts related to climate change, many investors, clients, regulators, public officials, and employees expect the financial services industry to drive climate action. Key is committed to leveraging our expertise, relationships, market influence, and resources to help address the pressing challenge of climate change. For this reason, we expanded our climate commitments to further minimize the environmental impact of our operations, provide more solutions to our clients, and support environmental equity.

As we continue to build knowledge and awareness of climate risks and opportunities, we are taking action. We are pleased to share our progress toward the environmental targets we announced in April 2022:

- To date, Key has financed or facilitated nearly $10 billion toward our $38 billion sustainable finance commitment to address climate change and support green initiatives by year-end 2026.
- Achieved our 2030 goal of a 40% reduction in absolute Scope 1 direct emissions and Scope 2 indirect emissions[44].
- Notably, we have reached 48% of our goal to achieve carbon-neutral operations across our Scope 1 and Scope 2 by year-end 2030.
- Joined the Partnership for Carbon Accounting Financials (PCAF) and completed an initial assessment of financed emissions.

Additional notable milestones in 2023 include:

- Advanced Scenario Analysis model development to assess Key's exposures to climate risks, which primarily included physical risks from inland flooding, hurricanes, and wildfires on the Commercial and Residential Real Estate portfolios and transition risks for the oil and gas upstream portfolio.
- Continued to make progress on climate risk initiatives, which include but are not limited to the operationalization of climate risk data, refinement and further development of quantitative models, and development of robust analytics to identify exposures potentially impacted by climate-related events.
- Invested in new resources and solutions to capture and share robust, decision-useful data and further expand our disclosures.
- Made significant progress against our climate risk framework, including expanding climate scenario analysis capabilities and enhancing processes for the identification of both physical and transition risks.

As we look ahead, Key will continue to:

- Share our progress through transparent disclosures.
- Support our clients and communities in addressing climate change by offering our expertise and new products, solutions, and capabilities.
- Hold ourselves accountable to positive outcomes for all stakeholders.

[44] Refer to The Greenhouse Gas Protocol for Scope definitions.

Climate Strategy

Key prioritizes sustainability and climate action in our business strategy. We consider the new opportunities and business risks of making climate action central to our operational and business model in a fast-changing marketplace.

We leverage our expertise, relationships, market influence, and resources to address the pressing challenges of climate change. Our climate strategy centers on three pillars:

- **Mobilizing capital to support our clients and communities**
- **Achieving operational sustainability**
- **Accelerating climate risk management**

As our understanding and identification of climate-related risks evolve, our climate strategy will progress both in its level of ambition and its focus on managing and mitigating risks, including engaging and supporting clients through their adaptation efforts and transition to a low-carbon economy. The respective risks and opportunities to our products and services cover the short- to long-term time horizons.

Mobilizing capital to support our clients and communities

Environmental sustainability is an important consideration in the investments we make in our businesses and the products and services we offer.

Renewable energy, green buildings, energy efficiency, and high-efficiency vehicles are just some of the important investment areas we support as our clients seek to reduce their environmental impacts and enhance energy efficiency.

Key supports clients in their transition to a low-carbon economy through renewable energy finance and a variety of other product offerings. Key expanded into new markets over the past decade, providing clients and customers with unique, renewable energy and environmental investment options or financing. How we invest is essential to supporting strong and resilient communities.

In April 2022, we announced a commitment to finance or facilitate $38 billion to address climate change and support green initiatives by year-end 2026. This commitment reduces our transition-related risks[45] and supports our objective to remain among leaders in North American renewable energy project finance lending.

Key's $38 billion sustainable finance commitment includes financing for business in the following industries:

- Battery storage and manufacturing
- Clean transportation
- Clean water
- Climate change resiliency and adaptation
- Climate risk management
- Conservation
- Energy efficiency
- Green buildings
- Green, social, sustainable bonds
- Pollution prevention and control
- Renewable energy
- Sustainable agriculture and forestry

We are making consistent progress toward our sustainable finance commitment. Since 2022, Key has deployed close to $10 billion of new capital to mobilize and support a low-carbon economy.

	2023 Activity	2022-2023 Activity	Goal (2022-2023)	Performance
Renewable energy	$2,622MM	$6,161MM	$7,000MM	88%
Green, social, and sustainable bond — Debt Capital Markets offerings	$426MM	$941MM	$2,580MM	36%
Green, social, and sustainable bond — Public Finance offerings	$1,610MM	$2,174MM	$3,230MM	67%
Residential Solar — Consumer Bank	$0MM	$253MM	$0MM	NA
Key Equipment Finance	$202MM	$343MM	$648MM	53%
Total	**$4,860MM**	**$9,872MM**	**$13,458MM**	**73%**

[45] Transition risks include policy constraints on emissions, imposition of carbon tax, water restrictions, land-use restrictions or incentives, market demand and supply shifts, and reputational considerations.

Over the past two years, we took steps to increase teammate acumen to assess climate risk and further increase the mobilization of capital to support the transition to a low-carbon economy. Efforts included building awareness among lines of businesses and risk teams about the risks posed by climate change. For client-facing teammates, we are developing new tools and training on assessing climate risk at the transaction level and upskilling client engagement.

Renewable energy

KeyBanc Capital Markets is among leaders in renewable energy investments in the U.S. and provides services to clean technology firms in the power generation, smart grid, energy management, and pollution control sectors. Key's renewable energy team is the largest in the industry, with 50 employees across Cleveland, New York City, and San Francisco.

Key has committed close to $20 billion to renewable energy since the inception of the alternative energy team in 2007. Early on, we knew that our platform was uniquely suited to provide the products and services required for a capital-intensive industry like renewables. KBCM's access to the capital markets, advisory services, and our own balance sheet have a lot to do with our strategy. These direct commitments by Key have facilitated more than $80 billion of financing in the bank debt market for renewables.

At year-end 2023, Key had $7.8 billion committed to renewable energy projects, representing a cumulative capacity of 74.2 GW, an 19.8 GW increase compared to 2022.

Green, social, and sustainable bonds[46]

Participating in the green, social, and sustainable (GSS) bond market further highlights our understanding of integrating sustainability factors into investment decisions and our commitment to mobilizing capital to support our clients and communities.

- KBCM's Debt Capital Markets (DCM) team participated in 6 GSS bond offerings, raising $426 million of proceeds to support environmental and social benefits.
- DCM led two GSS offerings, including one sole lead private placement financing for acquisition of two New York City transitional housing facilities operated by Urban Resource Institute.
- Public Finance (PF) team participated in 40 GSS financings totaling $1,610 million.
- PF played a lead role in 37 of those transactions. In 2023, there was significant growth in the area of affordable housing, which saw an increase of 215% in the underwritten value of the bonds as compared to 2022.

ESG money market deposit account

We support our clients and communities with expertise, new products, and new capabilities in their transition to an inclusive, equitable, and low-carbon economy.

Key's Commercial Payments team offers a money market deposit account (MMDA) which helps commercial clients demonstrate their commitment to sustainability and invest in a greener future for their business, society, and the planet. For every dollar deposited, an equal amount is held in a lending portfolio supporting renewable energy, clean transportation, green buildings, pollution prevention, clean water, energy efficiency, sustainable agriculture and forestry, and climate change resiliency and adaptation.

The ESG MMDA enables our clients to:

- Earn interest and maintain liquidity while their money works to support socially beneficial projects.
- Demonstrate their commitment to socially responsible solutions with sharable account reporting.
- Build brand equity and increase employee satisfaction by contributing to meaningful change.

Details about the ESG MMDA are available on key.com.

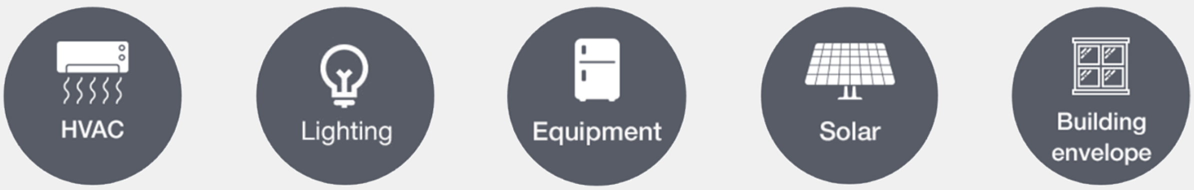
[46] Reported dollar amount total represents KBCM's share of third-party designated, company designated, and self-designated GSS transactions.

Clean energy and energy efficiency financing

Every company can benefit from a strategic approach to evaluating sustainability projects and the capital solutions to fund them. Key Equipment Finance (KEF) provides tailored equipment and lease financing solutions for both renewable generation and energy efficiency projects. Since 2021, KEF has committed more than $500 million across more than 500 opportunities to finance new energy efficiency, fuel cell, hydrogen, and solar infrastructure.

KEF's Clean Energy team helps clients develop an integrated approach to achieving sustainability goals and superior returns. We have relationships with specialists in every facet of energy efficiency including LED lighting, building controls, water conservation, and energy as a service, while also offering distributed generation solutions such as battery storage, fuel cells, biogas, and solar.

Renewable and Energy Efficiency Projects



In 2023, KEF financed $202 million of new energy efficiency, fuel cell, and solar projects, bringing the group's cumulative financing to a total of more than $2.2 billion since the Clean Energy business was established in 2012.

Key Impact |

TITAN Freight Systems

Supporting resilient communities is not limited to our Commercial Bank; in 2023, our Business Banking team in Oregon financed a deal amounting to approximately $1.2 million to cover the cost of six heavy-duty electric vehicles with TITAN Freight Systems in Portland, Oregon.

TITAN received a grant from Oregon's Department of Environmental Quality to cover 75% of the cost; however, they needed funds from Key upfront to get the ball rolling.

The heavy-duty electric trucks are a natural evolution in TITAN's journey to be a carbon-neutral transportation company.

Key teammates with Titan executives unveiling the electric vehicles.

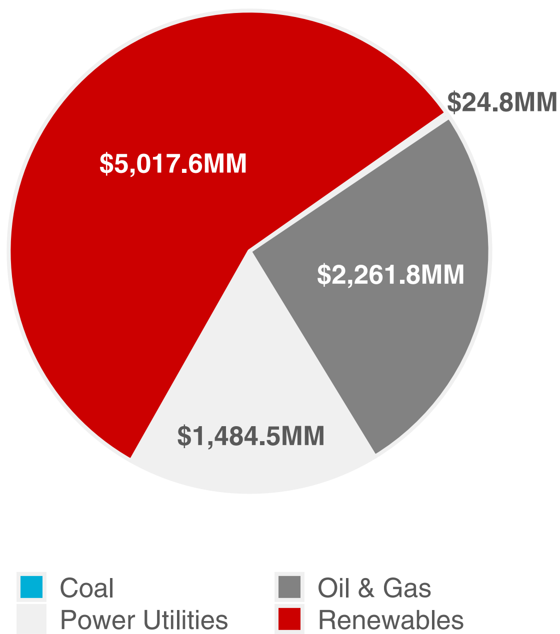
Commercial portfolio

Our portfolio is diversified across sectors with lower concentrations in areas with higher climate-related risk, such as agriculture, automotive, chemicals, metals and mining, oil and gas, utilities, and transportation. We recognize that industries with high and medium risks — including those heavily dependent on carbon-based energy or contributing significantly to emissions — need financing to support their transition. We are particularly active in the renewables sector, which we consider to be among the biggest opportunities for our business.

Within the energy sector, Key's single largest aggregate outstanding loan exposure is to renewables.

Compared to 2022, our 2023 portfolio has seen a reduction of 17% in the high-carbon usage sectors and an increase of 6% in the renewables sector, further supporting our commitment to a low-carbon economy.

Energy-Related Commercial Portfolio[47]
Outstanding as of December 31, 2023



This chart reflects commercial loans and leases only as of December 31, 2023.

[47] Credit risk industry reporting is done on an "as-is" basis and reflects most current North American Industrial Classification System (NAICS) industry code assigned, which may vary from NAICS code assigned in historical reporting. "Coal" includes coal and support activities sub-industries of metals and mining. "Oil & Gas" includes the entire oil and gas industry. "Power Utilities" excludes renewables, water and sewer, and other waste disposal from the utilities industry. "Renewables" includes non-carbon power NAICS codes (e.g., solar, wind, hydro, nuclear, and biomass).

Achieving operational sustainability

Key is focused on enhancing our operational sustainability. Reducing the environmental impact associated with our real estate footprint is an ongoing effort, and maintaining and operating efficient workspaces remains a priority.

Key's Corporate Real Estate Solutions team leads many of our operational sustainability activities, making significant facility and operational improvements by applying green building principles and investing in energy management systems and equipment upgrades across our real estate portfolio. We continue to see the positive effects of Key's multiyear effort to profitably reduce our GHG footprint. By tracking energy consumption and emissions at the site level, we can best allocate resources for capital improvements and identify defective equipment where repairs may be needed.

In April 2022, we amplified our ambitions and committed to achieving carbon neutrality from our Scope 1 direct and Scope 2 indirect emissions by 2030. While we strive for carbon neutrality, we recognize that reducing absolute emissions is critical for the planet; for this reason, we continue to monitor progress toward our previously announced Scope 1 and 2 emission reduction goals. Our ambition is to source 20% of our energy from renewable sources by 2030 and 60% by 2050 and reduce our Scope 1 and 2 emissions 40% by 2030 and 80% by 2050. Together, these goals will make sure that we not only achieve carbon neutrality, but also continue to reduce our overall emissions.

Operational sustainability commitments and progress

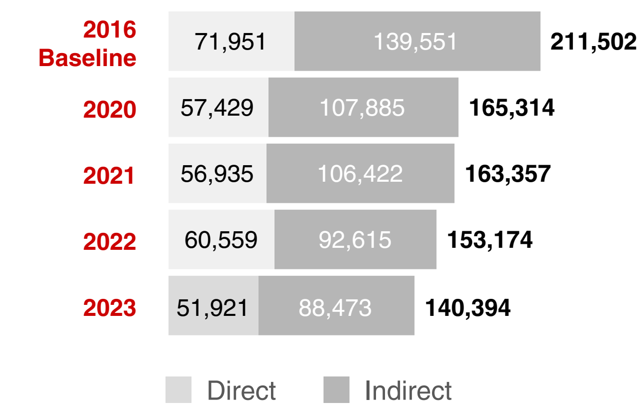
Operating emissions	Operating renewable energy	Carbon neutrality
i. 40% reduction in Scope 1 and 2 emissions by 2030	i. 20% renewable energy by 2030	i. Achieving carbon neutral operations across our Scope 1 direct and Scope 2 indirect emissions by year-end 2030
– Achieved goal.	– We are 31% of the way there.	
ii. 80% reduction in Scope 1 and 2 emissions by 2050	ii. 60% renewable energy by 2050	
– We are 60% of the way there.	– We are 10% of the way there.	– We are 48% of the way there.

Through investments in energy efficiency, strategic site consolidations, and the overall greening of the grid, we have reduced GHG emissions by 48% and energy consumption by 34% since 2016. This progress puts us ahead of our projected pace for GHG emission reductions, having already achieved our 2030 goal and 60% of our 2050 goal.

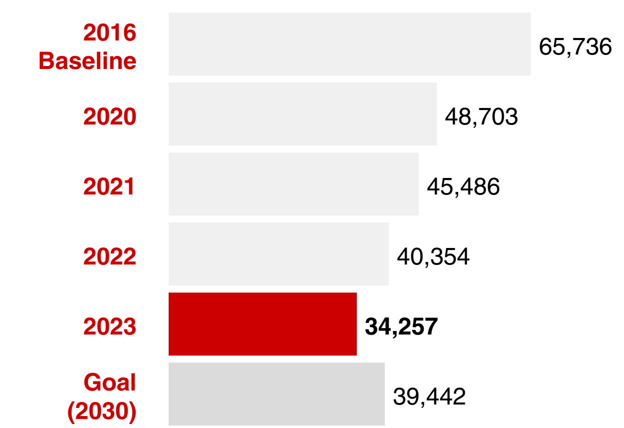
In addition to our commitments to achieve carbon neutrality and reduce our overall emissions, we joined the Partnership for Carbon Accounting Financials. PCAF is a global collaboration among financial institutions focused on enabling consistent assessments and disclosures of GHG emissions financed by loans and investments.

We are also partnering with a leading energy advisor to develop a strategy to achieve our decarbonization goals. Key completed an in-depth analysis of our real estate portfolio, assessed energy usage and available decarbonization levers, and is now developing optimization scenarios to reduce our emissions.

Direct, Indirect, and Total Energy Consumed (MWh)



Scope 1 and 2 Market-Based GHG emission (MT CO_{2e})



Key Impact |

Key has a long-standing relationship with Google Cloud dating back to 2017, when we began using cloud services for data and analytics. In 2022, we launched our Cloud Acceleration Program to migrate most applications from our traditional physical data centers to Google Cloud. We aim to have most of our products and services in the cloud by the end of 2025.

Migrating data, applications, and technology infrastructure to the cloud will benefit Key in the short and long term. The Cloud Acceleration Program plays a critical role in giving us the agility to innovate and the speed, flexibility, and scalability to create new business capabilities fast. Modern cloud-native technologies and a close partnership with Google will enable the advancement of artificial intelligence, machine learning, and natural language processing across our organization — driving a better experience and incremental value for our customers.

This initiative is helping us reduce our carbon footprint. Google is carbon neutral today and will run on carbon-free energy at all its data centers by 2030. Over the long term, we will realize material cost efficiencies and reductions in GHG emissions by exiting the Key-owned data center in Cleveland, Ohio, and adopting a consumption-based model.

Waste management

Reducing and diverting waste is an important part of our operational sustainability and efficiency goals. Along with adhering to green building principles, Key's Corporate Real Estate Solutions team has a robust waste management program.

Key aspires to achieve a higher diversion rate every year by deploying innovative ideas for recycling waste and reducing landfill. Reduction in landfill plays a critical role in reduction of methane gas, an important component of overall GHG gasses.

2023 Waste Reduction and Recycling

Waste Type	Waste Diverted (metric tons) 2023
Recycling – Bank Equipment	37.0
Recycling – Metal	8.2
Recycling – E-Waste	72.0
Recycling – Furniture	20.5
Recycling – Lighting Products	0.8
Recycling – Mixed	0.3
Recycling – Paper	10.8
Recycling – Shredded Paper	1,953.4
Recycling – Solid Waste	322.2
Total Recycling	**2,425.2**
Total Landfilled	**2,125.0**
Total Waste	**4,550.2**
Diversion Rate	**53%**

As of December 31, 2023.

Paper reduction

A substantial amount of paper consumption is generated from standard daily activities, such as required disclosures, monthly statements, and signature pages. Our paper reduction strategy, launched in late 2020, continues to reduce paper use across the enterprise.

We have several significant initiatives that encourage sustainable printing and mailing practices:

- Teammates are encouraged to use digital documents instead of paper.
- Facilities offer easy access to secure shredding and paper recycling to divert waste from landfills and protect customer information.
- Clients are offered to opt into paperless options with statements and agreements when feasible.

In 2023, Key printed six million fewer pages (front and back), resulting in three million fewer physical sheets of paper, than in 2022.

As Key and more of our clients embrace a digital-first strategy, we expect the downstream impact on paper reduction to grow.

Supply chain sustainability

Third-party suppliers are important partners in advancing Key's corporate responsibility strategy. We are deliberate in integrating corporate responsibility into supply chain relationships.

Key utilizes a request-for-proposal questionnaire that more intentionally considers CR and DE&I topics during the third-party evaluation and selection process.

Key's Supplier Code of Conduct, which has been in place since 2016, was updated to reflect our current expectations on environmental practices, workplace health and safety, ethics, and DE&I. We put greater emphasis on demonstrating a commitment to responsible climate stewardship, including bringing forward ideas for reducing the environmental impact of the products and services provided to Key. We also encourage third parties to assess environmental impacts and sustainability within their supply chains, including tracking and reporting metrics such as GHG, carbon footprint, and waste reduction. To learn more about Key's Supplier Code of Conduct, visit the Suppliers Standards for Doing Business page on key.com.

Suppliers are encouraged to hold us accountable for our actions as well. The Supplier Code of Conduct provides clear guidance for reporting any suspected or known violation of Key's Code of Business Conduct and Ethics through an anonymous ethics helpline.

Energy consumption and greenhouse gas emissions data[48]

Normalizing factors

Scope/Source	2021	2022	2023
Total Active Sites	1,228	1,105	1,057
Teammate Headcount (full year average)	16,974	17,660	17,692
Consolidated Total Assets ($ billion)	186.3	189.8	188.3

Energy consumption (MWh)

Scope/Source	2016 Baseline	2021	2022	2023	%∆ from PY	%∆ from Baseline
Direct Energy	71,951	56,934	60,559	51,921	(14.3)%	(27.8)%
Natural Gas	61,283	50,147	53,390	45,608	(14.6)%	(25.6)%
Diesel – Stationary	409	228	231	225	(2.6)%	(45.0)%
Propane	1,669	1,433	1,263	1,094	(13.4)%	(34.5)%
Number 2 Fuel Oil	3,782	2,949	2,354	1,666	(29.2)%	(55.9)%
Jet Fuel (Jet A or A-1)[49]	4,808	2,177	3,321	3,328	0.2%	(30.8)%
Indirect Energy	139,551	106,423	92,615	88,473	(4.5)%	(36.6)%
Electric Power	139,419	104,002	87,614	83,070	(5.2)%	(40.4)%
Renewable Energy	0	2,421	5,001	5,403	8.0%	100.0%
Purchased Steam	132	0	0	0	(100.0)%	(100.0)%
Total Direct & Indirect Energy	**211,502**	**163,357**	**153,174**	**140,394**	**(8.3)%**	**(33.6)%**

[48] GHG data has been verified by Apex – Scope 1 and Scope 2 emissions as well as the Scope 3 categories business travel, fuel- and energy-related activities, waste generated in operations, employee commuting, and upstream leased assets. Total Active Sites represents the number of sites with Scope 1 and 2 energy data in Key's operational control. This varies from the number of branches and ATMs listed in KeyCorp's 10-K as some sites are leased or are not supported by direct billing and are therefore represented in Key's Scope 3 upstream leased assets emission estimation. 100% of the Electric Power consumed above is derived from the grid.
[49] Includes both corporate and company jet travel

Greenhouse gas emissions (MT CO_{2e})

Scope/Source	2016 Baseline	2021	2022	2023	%∆ from PY	%∆ from Baseline
Scope 1	13,721	10,740	11,424	9,803	(14.2)%	(28.6)%
Natural Gas	11,110	9,088	9,676	8,265	(14.6)%	(25.6)%
Diesel – Stationary	104	58	59	57	(3.4)%	(45.2)%
Propane	360	309	272	236	(13.2)%	(34.4)%
Number 2 Fuel Oil	958	747	596	422	(29.2)%	(55.9)%
Jet Fuel (Jet A or A-1)	1,189	538	821	823	0.2%	(30.8)%
Scope 2 – Location Based	49,819	36,402	31,084	28,026	(9.8)%	(43.7)%
Electric Power	49,782	36,402	31,084	28,026	(9.8)%	(43.7)%
Purchased Steam	37	0	0	0	—	(100.0)%
Scope 2 – Market Based	52,015	34,746	28,930	24,454	(15.5)%	(53.0)%
Electric Power	51,978	34,999	29,461	25,129	(14.7)%	(51.7)%
Renewable Energy – Solar	0	-253	-531	-675	27.1%	—
Purchased Steam	37	0	0	0	—	(100.0)%
Scope 3	51,857	67,351	76,005	60,678	(20.2)%	17.0%
Purchased Goods and Services	0	13,916	11,035	3,381	(69.4)%	—
Capital Goods	0	8,778	4,785	3,903	(18.4)%	—
Fuel- and Energy-Related Activities	803	3,723	3,545	3,260	(8.0)%	306.0%
Upstream Transportation and Distribution	0	7,250	8,459	10,337	22.2%	—
Waste Generated in Operations	688	1,160	1,376	1,206	(12.3)%	75.3%
Business Travel	16,435	3,192	14,400	14,134	(1.8)%	(14.0)%
Employee Commuting[50]	16,476	23,662	24,498	17,651	(27.9)%	7.1%
Upstream Leased Assets	17,455	5,670	7,907	6,805	(13.9)%	(61.0)%
Totals						
Total Scope 1 & 2 (Location Based)	63,540	47,142	42,508	37,829	(11.0)%	(40.5)%
Total Scope 1 & 2 (Market Based)	65,736	45,486	40,354	34,257	(15.1)%	(47.9)%
Total All Scopes (Location Based)	115,397	114,493	118,513	98,507	(16.9)%	(14.6)%
Total All Scopes (Market Based)	117,593	112,837	116,359	94,935	(18.4)%	(19.3)%

[50] Employee commuting emissions include energy use from office equipment, home heating, and cooling.

Accelerating climate risk management

Key recognizes the significance of climate-related risks to our businesses, operations, customers, the communities we serve, and the financial system in which we operate. The impact of climate change is now a top risk for many financial institutions, and Key is taking action to better identify, assess, and manage these risks. We have committed significant resources to build capacity to identify, measure, and manage risks emerging from climate change.

Recent developments include the following:

- Memberships with the Partnership for Carbon Accounting Financials and the Risk Management Association's Climate Risk Consortium.
- We continue to make significant progress on a multi-stream initiative to holistically account for climate risks and opportunities within our established and comprehensive Enterprise Risk Management framework.
- We have advanced scenario analysis model development for both physical risk and transition risk impacts on certain portfolio sectors.
- We have processes in place to gather climate preparedness data from our clients, which will be used to assess risk and inform decision-making.
- In 2023, we developed and introduced an Environmental and Social Risk Management Policy that outlines Key's approach to managing environmental and social (E&S) risks across all lines of business and sets forth the general principles that govern the management and oversight of E&S risks.

Climate Change Risks and Opportunities Report

More detailed climate-related disclosures can be found in our forthcoming 2023 TCFD Report and our 2022 TCFD Report. The reports provide our stakeholders with greater transparency about our climate-related journey and following the recommendations of the TCFD.

View current and previous corporate responsibility disclosures at key.com/crreport.

Governance of climate risk and opportunities

Key's success at managing climate change risks and opportunities depends on effectively integrating climate change into our existing end-to-end governance structure, from our Board of Directors to our lines of business.

Our Board serves as a foundation for the company's ability to manage climate-related risks and opportunities, as it oversees Key's policies and practices on significant issues of corporate responsibility, including corporate responsibility and sustainability. The Board provides consideration and counsel on environmental initiatives and strategies and oversees management's work to implement these goals. The Board is focused on and dedicated to ensuring Key operates in a manner aligned with shareholder expectations. Attention to climate-related issues is embedded in the Board's broader supervision through its committee structure.

Climate risk and opportunity governance

The table below depicts our climate risk management hierarchy.

Board- or management-level committees with responsibility for climate-related issues. Not all management-level committees are depicted.

Our Nominating & Corporate Governance Committee oversees climate strategy, while the Risk Committee has oversight of and accountability for climate risk. The Audit Committee considers climate-related issues through its oversight of the integrity of KeyCorp's financial statements, including reviewing disclosures made in our SEC filings. All committees report to the full Board and continue to incorporate additional insights from climate risk analysis into ongoing monitoring, governance, and strategy refinement.

Integrating climate into the organization's overall risk management

We have committed significant resources to build capacity to identify, measure, and manage risks emerging from climate change. We have engaged in a multi-stream initiative to holistically account for climate risks and opportunities within our established and comprehensive Enterprise Risk Management Framework (the Framework). As climate risk is a transverse risk that will impact and manifest through existing risk categories, we are moving quickly and deliberately to develop our capacity to manage and embed climate risks into current financial and non-financial risk management frameworks.

Key's Climate Risk Team was established as a unique function within Risk Management and is responsible for integrating climate risk into all elements of the Framework. Our ERM risk taxonomy has been updated to include climate risk considerations across all risk types. Furthermore, tools like scenario analysis and scorecards will be utilized throughout the life cycle of a transaction to enable the identification and management of credit risk manifesting from physical and transition risks.

One of the tools used to identify and assess risk is the Risk and Control Self-Assessment (RCSA), through which risks and the effectiveness of controls are assessed utilizing multiple sources of information. It provides a framework for lines of businesses at Key to identify and analyze climate-based risks and to provide guidelines for defining, identifying, assessing, and controlling for climate risks.

Environmental and Social Risk Management Policy

Introduced in 2023, the Environmental and Social Risk Management (ESRM) Policy outlines Key's high-level approach to managing environmental and social (E&S) risks across all lines of business. The policy sets forth the general principles that govern the management and oversight of E&S risks. We recognize that a successful future depends on the sustainability of the environment, communities, and economies in which we and our clients operate. To that end, we seek to identify, manage, and mitigate the impact that E&S risks have on our business environment, employees, clients, portfolios, and operations — thus contributing to a sustainable future.

The purpose of the ESRM Policy is to outline our risk management principles with respect to E&S risks, which are defined as: Potential adverse consequences to us or our employees that arise 1) directly from the impact of our business activities on the natural environment or people (e.g., employees, communities, customers, clients, shareholders); 2) from changes to the natural environment, including climate change; and 3) indirectly through environmental or social factors associated with our clients, shareholders, third parties, or communities within Key's footprint. This policy applies to business functions and employees throughout Key and its subsidiaries. Execution of the ESRM Policy is cross-functional, enlisting collaboration and direction from the lines of business, Risk Management, Risk Review, and other functional units.

Climate Risk Management Program Leadership Framework

The leadership framework for our climate risk management program demonstrates the hierarchy of climate risk oversight, including the workstreams that are led by subject matter experts in respective organizational areas. Key's Board of Directors is actively involved in climate strategy oversight and in holding management accountable for the design, implementation, and execution of the program.

The Enterprise Risk Management Committee, chaired by the CEO, supports the management of emerging and top risks. Due to the recognition that climate risk is a transverse risk, the ERM Committee has incorporated climate risk as a risk vector that warrants independent consideration under its ERM policy.

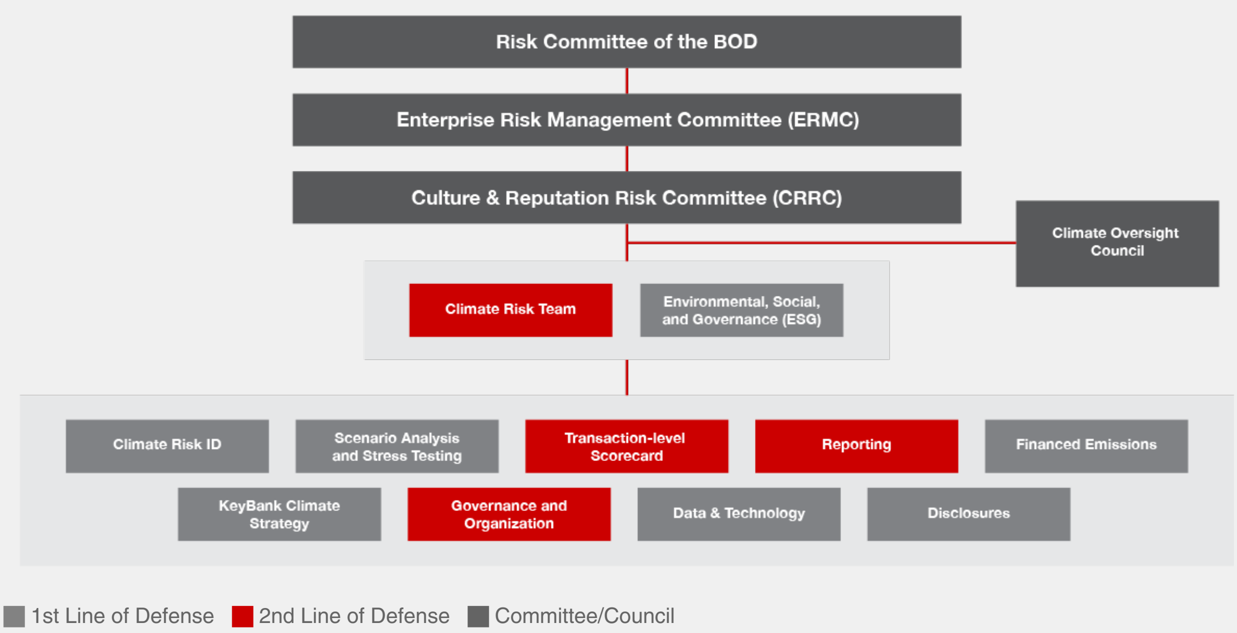
The Culture and Reputation Risk Committee serves as the governance body providing oversight of risks related to risk culture, conduct, ethics, corporate responsibility, climate, Key's brand, and reputation. In addition, the Culture and Reputation Risk Committee is the Approving Body of the program that oversees, reviews, modifies, and recommends for approval policies and programs related to corporate responsibility matters, including climate risk.

The Climate Oversight Council is an advisory committee that provides high-level oversight of project progress, advice, and tracks outputs to ensure key milestones are met.

Key's governance of climate risk is led by the Climate Risk Team, which is responsible for overseeing and guiding all climate risk-related activities. The ESG Working Group and Climate Risk Team communicate regarding matters related to strategy, decarbonization commitments, and sustainable financing.

Climate Risk Management Program Leadership Framework

The table below depicts our risk management hierarchy.



We are moving quickly to develop our capacity to manage climate risks and embed climate risks into current financial and non-financial risk management frameworks.