

Climate Impact Report

2025

FIRST HORIZON CORPORATION®

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This Climate Impact Report provides associates, clients and stakeholders with transparent information about how First Horizon Corporation and its banking subsidiary First Horizon Bank (collectively, "we," "us," the "Company," or "First Horizon") identify, manage and plan for climate-related risks and opportunities. This report demonstrates our commitment to responsible governance, supports informed decision-making and aligns with industry standards and regulatory requirements around environmental disclosure. This report is intended to communicate how our climate strategy, risk management practices and performance metrics contribute to our efforts to **preserve, restore and contribute to the prosperity of the communities we serve.**

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About this Report

Our Climate Impact Report follows the recommendations set forth in the 2017 Task Force on Climate-related Financial Disclosures (TCFD) report and aligns with the TCFD's seven principles for effective climate-related financial disclosures. We have disclosed all recommended elements to the extent practicable; omissions and future plans are described in the Appendix.

This report covers company-wide progress and programs with the most recently available information at the time of publication as noted in the text. This report presents information we believe is accurate at the time of the release of this report. While this report is not externally assured, we continue to evaluate assurance options for future reporting cycles. We have no duty and make no commitment to provide later updates.

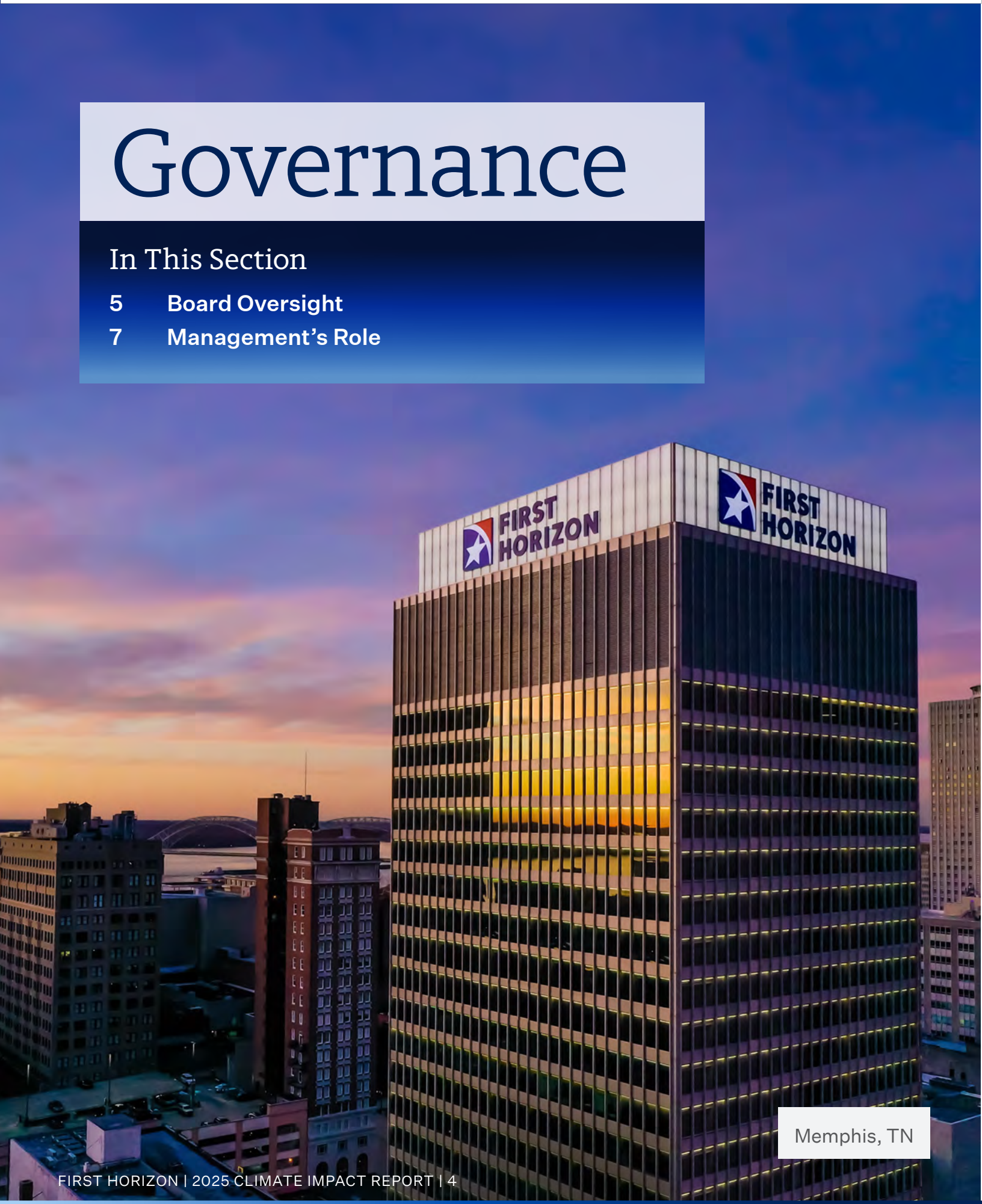
For more information on our corporate responsibility and sustainability efforts please see our *Here For Good* report located on our website at https://www.firsthorizon.com/First-Horizon-Corporation/Corporate-Responsibility. We also disclose selected information touching on corporate responsibility matters in our Annual Report on Form 10-K and our annual Proxy Statement, both of which are available in the investor relations section of our website and at www.sec.gov.

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal laws with respect to First Horizon's beliefs, plans, goals, expectations and estimates. Forward-looking statements are not a representation of historical information, but instead pertain to future operations, strategies, financial results or other developments. Such statements can be identified by words such as "believe," "expect," "anticipate," "intend," "estimate," "should," "is likely," "will," "going forward" and other expressions that indicate our current views of future events, trends and aspirations. These may or may not be followed by or reference cautionary statements. A number of factors could cause actual results to differ materially from those in our forward-looking statements. These factors are outlined in our most recent quarterly and annual financial reports on Forms 10-Q and 10-K, available in the investor relations section of our website and at www.sec.gov. We disclaim any obligation to update or revise any forward-looking statements that are made in this report or in any other statement, release, report, or filing from time to time. In addition, First Horizon cautions readers that this is not a financial report. Neither this report nor the information presented in it have been audited or reviewed by any independent person or firm. Although First Horizon strives to present information accurately in this report, this report is not subject to the same internal controls or disclosure controls as annual or quarterly financial reports. Moreover, this report deals with First Horizon only, not with its suppliers, contractors or business partners, unless this report explicitly provides otherwise. Website references and/or links throughout this document are provided for convenience only and the content on the referenced websites is not incorporated by reference into this document.

Governance

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Memphis, TN

Governance

Sound governance forms the foundation of our approach to managing climate-related financial risks and opportunities. First Horizon's Board of Directors (the Board) oversees climate-related topics through formal structures and dedicated committees, including the Nominating and Corporate Governance Committee, the Risk Committee and the Audit Committee as described below. Senior management, supported by a cross-functional working group, develops and executes our climate-related strategy and ensures ongoing engagement and accountability across all business lines.

BOARD OVERSIGHT

Bord of Directors
Oversees the Company's management of corporate responsibility matters.

Nominating and Corporate Governance Committee
Formally charged with oversight of the management of corporate responsibility, including climate-related matters.

Risk Committee
Responsible for risk management policies and oversight of the risk management framework.

Audit Committee
Assists the Board in overseeing the Company's financial reporting, internal controls, regulatory compliance and risk governance.

MANAGEMENT OVERSIGHT

Sustainability Leadership Team
Develops and executes sustainability strategy, including climate-related matters.

Management Risk Committee
Reviews and approves the Company's Enterprise Risk Management Framework which identifies a variety of risks.

Financial Governance Committee
Oversees the governance process for financial reporting and disclosure.

STRATEGIC WORKING GROUP

Corporate Responsibility Working Group
Cross-functional team that informs overall corporate responsibility strategy and goal setting, including climate-related matters.

Board Oversight

The Company is managed under the direction of, and all corporate powers are exercised by or under the authority of, its Board of Directors. The Board has six standing committees: the Audit Committee, the Compensation Committee, the Executive Committee, the Information Technology Committee, the Nominating and Corporate Governance Committee and the Risk Committee. The charter of each of these six standing committees is available on our website.

Oversight of relevant climate-related topics and risks is one of the responsibilities of the Board of Directors and its relevant committees. The Board oversees aspects of these topics and risks through the Nominating and Corporate Governance, Risk and Audit Committees as described below.

Nominating & Corporate Governance Committee

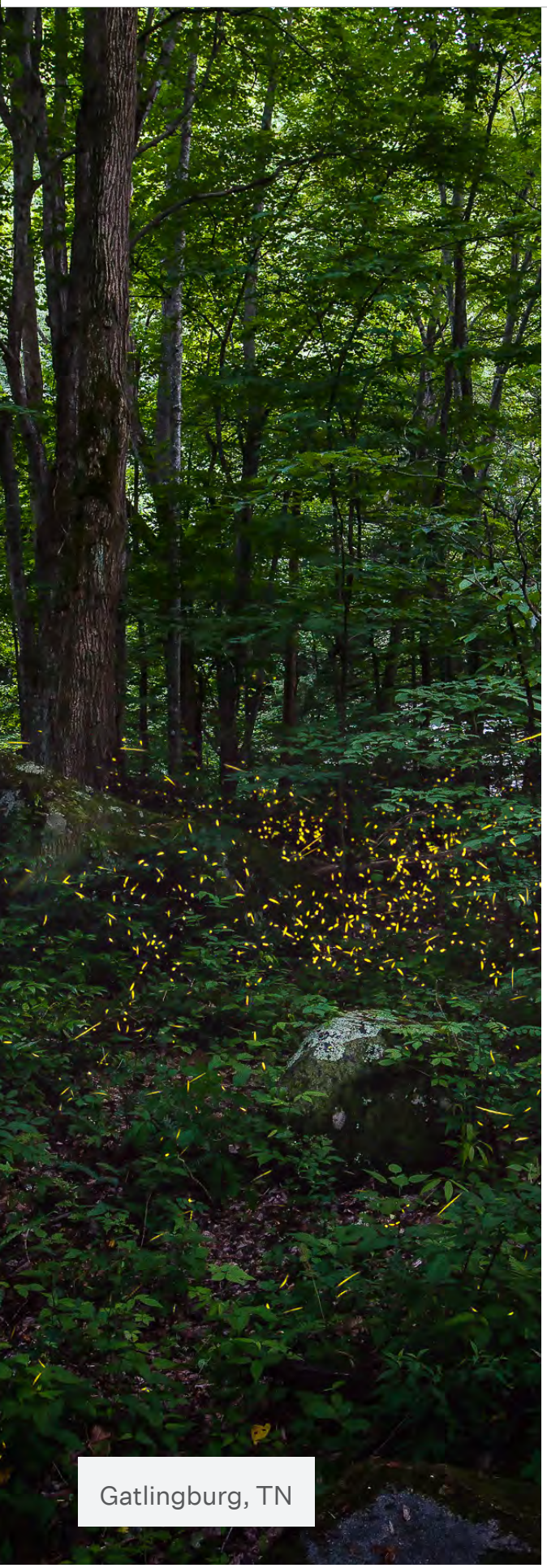
The Nominating and Corporate Governance Committee is responsible for overseeing the Company's management of, and commitment to, corporate responsibility, which includes climate-related matters and reporting.

Risk Committee

The Risk Committee has, as its sole and exclusive function, responsibility for the risk management policies of the Company's operations and oversight of the operation of the Company's risk management framework, including with respect to climate-related risks. The Risk Committee's charter authorizes and directs it to assist the Board in its oversight of (i) the establishment and operation of the Company's Enterprise Risk Management Framework, including policies and procedures establishing risk management governance, risk management procedures, risk control infrastructure and processes and systems for implementing and monitoring compliance with the framework with respect to the management of strategic, credit, market, operational, compliance, liquidity, capital adequacy and emerging risks, (ii) the adoption, implementation and periodic review of significant risk management and compliance policies and (iii) the Company's risk appetite statement.

Audit Committee

The Audit Committee assists the Board in overseeing accounting, financial reporting, internal controls, compliance, auditor qualifications and performance and receives reports from the Chief Audit Executive on risk governance, risk assessment, policy adequacy and regulatory compliance, including climate-related risks. The Audit Committee discusses First Horizon's risk assessment and risk management policies and significant risks and exposure and meets with key leaders to discuss risk or compliance issues that may have a material effect on the Company's financial statements or internal controls.



Gatlingburg, TN

Management's Role

Senior management provides the Nominating and Corporate Governance Committee with quarterly updates on climate-related matters, drawing on input from working groups, task forces, industry groups and external climate advisors. This collaborative approach helps ensure that climate-related matters are considered in our business planning, lending practices and ongoing engagement with our clients and communities.

Management Risk Committee (MRC)

The MRC is the management committee responsible for overseeing the Company's adherence to the risk management policies and procedures governing its operations, including with respect to climate-related risks. The MRC is a forum for reviewing the activities of supporting committees that manage and oversee specifically identified areas of potential risk and for addressing any other risks separately identified by the MRC. The MRC reviews, and the Risk Committee approves, the Company's Enterprise Risk Management Framework, which identifies a variety of risks.

Financial Governance Committee (FGC)

The FGC reports to the MRC with the purpose of overseeing the governance process for financial reporting and disclosure, including with respect to climate-related matters. The FGC ensures appropriate processes are in place to assist management in considering materiality of financial and financially-related information to be disclosed, determining disclosure obligations, complying with all applicable disclosure laws and regulations and assessing the need to disclose developments and risks that pertain to businesses.

Corporate Responsibility Working Group

The Corporate Responsibility Working Group is a cross-functional team run by our **Chief Communications Officer** and **Corporate Sustainability Officer**, composed of associates from various functional areas. The working group's main purpose is to help build stronger communities and guide responsible business practices across the Company. The group meets quarterly to:

- Review, recommend and report on corporate responsibility and related topics, including climate-related matters, to the Executive Management Committee and the Board.
- Inform overall sustainability strategy and goal setting, ensuring all risks and opportunities related to corporate responsibility are considered.
- Provide oversight and input on initiatives connected to the five core pillars of the Company's corporate responsibility strategy: Clients, Associates, Communities, Environment and Governance.

By bringing together diverse expertise and perspectives, including with respect to climate-related matters, the Corporate Responsibility Working Group enhances alignment, strengthens resilience and ensures that corporate responsibility efforts meet evolving stakeholder expectations and regulatory standards.

Chief Communications Officer

The Chief Communications Officer provides executive oversight of the development and execution of corporate responsibility strategy, including strategies related to climate matters.

The Chief Communications Officer leads the Company's corporate responsibility efforts, including Community Relations, Community Reinvestment Act (CRA), Foundations, Sustainability and climate-related efforts.

Corporate Sustainability Officer

The Corporate Sustainability Officer leads First Horizon's environmental strategy to help preserve, restore and contribute to the prosperity of the communities we serve. Working with teams across the Company, the Corporate Sustainability Officer oversees climate initiatives, ensures climate-related disclosures align with TCFD guidelines and helps reduce our operational emissions. The officer also promotes building upgrades, develops partnerships, supports associate and client engagement about climate topics, supports renewable energy financing and helps integrate climate risk into our risk management.

Chief Risk Officer

The Chief Risk Officer oversees the Company's Risk Management organization, which provides oversight of risk. The Risk Management organization translates the Company's overall risk appetite into approved limits, oversees the development of frameworks and formal policies and approvals that govern risk-taking activities, assesses risks and issues independent of the first line of defense and has responsibility for risk aggregation and reporting across the enterprise. These duties include climate risk related matters.



Strategy

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Chattanooga, TN

Strategy

Our strategy is guided by our environmental mission statement to preserve, restore and contribute to the prosperity of the communities we serve. We carry out this mission through focusing on our clients and communities and our operational sustainability and by evaluating our potential climate-related risks and opportunities.

We have taken steps to enhance our climate resilience including measuring our Scope 1 & 2 greenhouse gas (GHG) emissions, adopting sustainable practices, aligning our disclosures with appropriate climate-related frameworks and financing renewable energy technologies and projects.

Information regarding climate-related risks is not static. Regular reviews and updates are conducted as new data, guidance and community input become available. Maintaining strategic flexibility allows us to adapt our strategy as evidence, regulations, technologies and industry standards evolve.



> Environmental sustainability is crucial in the banking industry. It helps us mitigate and adapt to risks by addressing climate-related exposures, ensures compliance with evolving environmental standards, enhances corporate reputation through responsible stewardship and meets the growing consumer demand for environmentally conscious business practices. Embracing sustainability strengthens the bank's position as a leader in responsible financial management.
>
> **Emily Chavis, Corporate Sustainability Officer**

Climate-Related Risks and Opportunities

Possible climate-related risks and opportunities could impact multiple risk types over various time horizons. The following illustrates our perspective of short-, medium- and long-term climate risks and how they might manifest over those time horizons.

ENVIRONMENTAL TIME HORIZONS

	SHORT TERM 0-5 YEARS	MEDIUM TERM 5-10 YEARS	LONG TERM 10+ YEARS
EXAMPLES OF RISKS	Variability in governmental scrutiny and compliance costs associated with evolving climate-related policies.	Shifts in market demands related to the transition to a low-carbon economy.	Possible physical impacts of climate-related variability, such as increased frequency and severity of extreme weather events and economic stability of our communities.
EXAMPLES OF OPPORTUNITIES	Financial products or services that meet the growing demand from consumers and businesses.	Financing renewable energy projects, supporting clients through the energy transition and leveraging technology to offer innovative solutions.	Sustainable finance and community resilience through strategic partnerships and investments.

Climate-related risks are typically classified as either physical or transition risks. Physical risk is further broken down by either acute or chronic risks.

PHYSICAL RISKS: Physical risks resulting from environmental variability can be driven by both extreme events (acute) and long-term climate trends (chronic). **Acute physical risks** may have financial implications, such as direct damage to assets or the surrounding areas and indirect impacts from supply chain disruption. **Chronic physical risks** might impact financial performance through changes in water availability, sourcing and quality, food security and extreme temperature changes affecting our premises, operations, supply chains or associate safety.

TRANSITION RISKS: Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate variability. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and strategic risk to organizations.

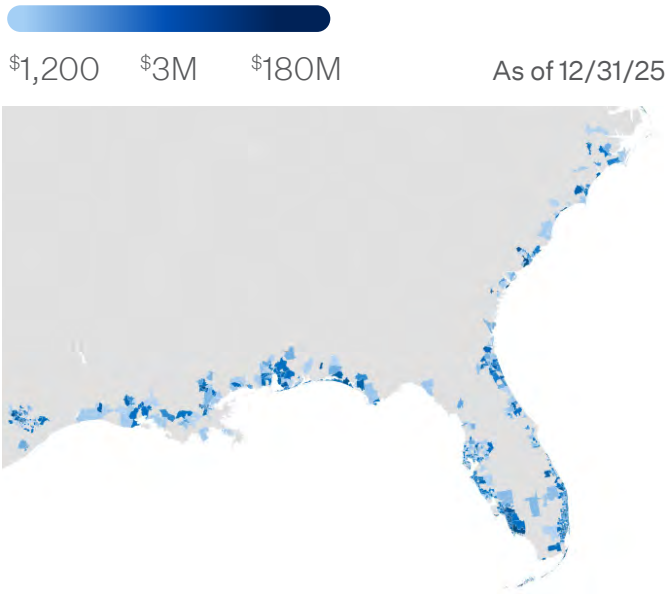
Physical Risks and Opportunities

We evaluate acute, event-driven physical risks such as hurricanes, tornados, heat or cold waves and floods and chronic physical risks associated with possible long-term events such as sea level rise. We also monitor the increase in development and lending in event-prone areas. The chart below illustrates our commercial commitments in coastal areas as of December 31, 2025.

We identify and manage physical climate-related opportunities by continuously evaluating emerging trends, such as renewable energy developments, infrastructure improvements and community initiatives. We also continuously seek to identify areas where we can support our clients, associates and communities.

COMMERCIAL COMMITMENTS IN COASTAL AREAS

$9.3B in coastal commitments by collateral zip code



Coastal Resilience

In coastal regions within our footprint, we monitor financing activities related to infrastructure and ecosystem resilience that may help mitigate physical risk exposure from storms and flooding. These activities are considered in the context of community resilience and risk management rather than environmental policy objectives.

Transition Risks and Opportunities

Transition-related risks may arise from changes in policy, regulation, technology, market conditions or customer preferences associated with evolving energy systems and business practices. The nature, timing and magnitude of these risks are uncertain and may vary across sectors and geographies. First Horizon monitors these considerations as part of its existing risk management processes. We have identified the portion of our loan portfolio that is most likely to be impacted by risks and opportunities related to a possible transition to a lower-carbon economy. For industry selection, we utilized the TCFD and SASB frameworks, as well as internal analysis, peer disclosures and advice from advisors.

INDUSTRY, % OF COMMERCIAL LOANS*	RISK RATIONALE	OPPORTUNITY
Agriculture, <1%	Agricultural production requires energy, either directly in the form of fossil fuels or electricity or indirectly through energy-intensive inputs such as fertilizer. Intensity of GHG emissions varies depending on the agricultural product. Physical risks include a wide range of shocks and stresses such as floods, droughts, intense storms, untimely rain, hail, frost, variability in yields, shifts in average growing conditions and more.	Investment in alternative proteins, synthetic biology solutions, regenerative agriculture and new land use methods.
Automotive & Gas Stations, 3%	The share of electric vehicles entering the market may increase over the next several years, putting increased transition risk on traditional automotive and gas stations.	Opportunities exist for this industry to increase efficiency of internal combustion engine vehicles and convert a portion of production to electric vehicles. Other transition opportunities include hybrids, ride share and autonomous driving.
Chemicals, 1%	Chemical production produces substantial GHG emissions, and organic chemical manufacturing relies heavily on non-renewable carbon feedstocks. Physical risks such as floods, droughts, extreme temperatures and climate-related disruption in supply chains could pose risks, including operational disruption and physical damage.	The chemical sector is carbon intensive but is also an enabler of the low-carbon transition. The sector has significant opportunities to develop activities and products to reduce its carbon emissions.

*Analysis based on commercial loan commitments as of 12/31/2025

Continued on next page

INDUSTRY, % OF COMMERCIAL LOANS*	RISK RATIONALE	OPPORTUNITY
Oil & Gas, 4%	Pressure to decarbonize in the Oil & Gas sector may build although the pace is likely to be uneven across different regions. The changes in policies, and associated uncertainties, may lead some companies to deprioritize decarbonization and create the need to catch up should these regulations tighten again.	The pace of possible transition is likely to be uneven. Some companies have become focused on transition plans by investing in clean-tech and renewable solutions.
Mining & Metals, <1%	Declining demand for coal in power generation. This sector also requires large energy use in the manufacturing of product.	Lower carbon energy systems tend to be more metal-intensive and some companies in this sector could recognize opportunities in developing new technologies.
Plastics, <1%	Demand for single-use plastic products and manufacturing could decline. This sector currently uses a large amount of carbon feedstocks and faces transition risk.	Companies that provide alternatives to single-use plastics could outperform.
Transportation, 3%	Pressure around air emissions and carbon regulation could add increased cost of capital and research and development. This sector has traditionally relied heavily on fossil fuels and could face stricter targets for emissions and fuel efficiency.	Opportunities exist to develop new technologies including transport vehicles (cars, ships, planes, rail) that run on a range of traditional and alternative fuels.

*Analysis based on commercial loan commitments as of 12/31/2025

Potential Impact of Climate-Related Risks and Opportunities

Our geographical footprint exposes our associates, clients, facilities and key services to a range of possible physical risks, such as hurricanes, floods and extreme weather events, which could disrupt operations, impact property and affect community resilience. We regularly assess these risks within our business continuity planning and facility management processes, aiming to minimize service interruptions and support the prosperity of the communities we serve.

Potential transition risks and opportunities from evolving local regulatory requirements, changing market expectations and shifts in client preferences also influence our strategic direction. We closely monitor regulatory developments, aligning our strategy, reporting and risk management efforts to the evolving landscape and to maintain compliance and transparency.

Climate-related opportunities are reflected in our product and service offerings, including financing for renewable energy projects and support for community resilience initiatives. These strategies support growth and help our clients navigate the evolving regulatory and market landscape.

Scenario Analysis

Climate scenario analysis can help identify and assess the potential impacts of future climate conditions and inform our financial planning/capital allocation. Estimating the long-term effects of alternative climate change scenarios on the banking industry is challenging due to the inherent uncertainties and complexities associated with their possible impacts on financial institutions. Predicting and quantifying these risks can be difficult due to the uncertainties surrounding climate variations and associated models as well as significant data gaps. We currently perform qualitative scenario analysis. Our overall approach to climate-related risks and opportunities is grounded in continuous improvement and a commitment to transparent reporting.

Clients and Communities

Transition risks from evolving data, regulation, stakeholder expectations and market dynamics require adjustments in our business strategy. To adequately respond to this dynamic environment, we look for opportunities to invest in energy efficiency and emission reduction efforts, expand responsible procurement and develop products that support climate resilience.

To support our clients we focus on developing a comprehensive understanding of their environmental goals, challenges and needs. This requires engaging in meaningful conversations with clients to gauge their specific environmental goals and tailoring our approach to support those goals. This may involve offering financial products and services to support renewable energy, energy efficiency and emerging technologies. We are committed to transparent communication about our commitment to sustainability, building trust and fostering long-term relationships with our clients.

Renewable Energy Project Financing

First Horizon's Equipment Finance Division specializes in project financing and tax equity for solar and wind renewable energy facilities. In the past five years, the division has provided over $1.5 billion in funding for renewable energy projects. This investment supports more than 5,800 megawatts of generating capacity through both direct financing by First Horizon and indirect financing as a participant.

We see potential for growth in the renewable energy sector, and we currently expect to make investments in tax equity and project financing in the coming years. Our focus remains on financing utility-scale and distributed generation projects, with commitments from utility, corporate, municipal and community solar power buyers under long-term agreements.

The Circular Economy

We monitor emerging external business models focused on material efficiency, reuse and waste reduction, which may influence operational resilience and supply chain dynamics in certain industries. Our engagement in this area is exploratory and focused on understanding potential business opportunities and risk implications rather than establishing investment or financing commitments.

Operational Resilience

Climate-related physical risks, such as hurricanes, flooding and extreme heat events, can disrupt our operations, damage facilities and affect both our associates and the communities we serve, especially within our Southeast U.S. footprint. To address this, we integrate climate risks into business continuity planning, enhance disaster preparedness and strengthen the resilience of our facilities and supply chains.

Our operational sustainability strategy is rooted in a holistic approach that integrates environmental stewardship, efficiency and responsible resource use into our daily operations. We focus on minimizing our environmental footprint by making energy efficiency practices a priority across our facilities, implementing waste reduction initiatives and seeking opportunities to increase the use of renewable energy and resources. Regular assessments help us identify areas for continuous improvement, ensuring that we adapt to evolving sustainability standards and stakeholder expectations.

Our operational strategy is designed not only to improve First Horizon's performance, but also to generate positive social and environmental impacts across our footprint. We actively engage associates in our sustainability initiatives and encourage cross-departmental collaboration to advance our long-term goals. Through these efforts, we aim to strengthen community resilience, support responsible growth and demonstrate leadership and transparency for our clients and stakeholders.



Mississippi River

Building Upgrades

Building upgrades play a crucial role in sustainable operations by enhancing energy efficiency. Implementing energy-efficient systems such as LED lighting, high-performance HVAC systems and improved insulation can reduce energy consumption, leading to lower carbon emissions. These upgrades not only help reduce a building's carbon footprint but also translate into cost savings over time due to decreased energy bills.

Business Resilience

Our business resilience planning is focused on preparing for potential impacts of natural disasters on First Horizon locations, personnel, clients, technology, operations and vendors. Our primary objectives are safety and avoiding disruption to banking services. We carefully consider various risk factors, including climate conditions, when selecting locations. The effects of natural disasters and the resulting costs and revenue losses due to physical damage are also considered in our operational risk management processes. In the event of a business disruption, we assess the effectiveness and quality of the Company's response to learn from the experience.

By utilizing geographical information systems (GIS), we aim to enhance our ability to visualize and analyze data, assess the impact of climate variability and extreme weather on our portfolio and transform our decision-making processes. Our experience in responding to weather events, combined with our strong ties to weather and hurricane experts, equips us to effectively understand, mitigate and address future risks.



Risk Management

In This Section

19 **Risk Identification, Assessment and Management**

Lafayette, LA

Risk Management

Our operating philosophy is safety and soundness, profitability and growth, in that order. The Company's Independent Risk Management organization provides oversight of risk. The Independent Risk Management organization translates the Company's overall risk appetite into approved limits, oversees the development of framework and formal policies and approvals that govern risk-taking activities, assesses risks and issues independent of the line of business and has responsibility for risk aggregation and reporting across the enterprise.

The Independent Risk Management organization proactively works with business units, senior management and functional experts to establish appropriate standards, monitor business practices in relation to those standards and ensure that management continuously focuses on key risks in the Company's business and emerging trends that may change the Company's risk profile.

The Management Risk Committee (MRC) is the management committee responsible for overseeing the Company's adherence to the risk management policies and procedures governing its operations. The MRC is a forum for reviewing the activities of supporting committees that manage and oversee specifically identified areas of potential risk and addressing any other risks separately identified by the MRC. The MRC reviews and the Board Risk Committee approves First Horizon's Enterprise Risk Management Framework which identifies a variety of risks.

The Company's Risk Appetite Statement articulates our view towards risk-taking to ensure stability and profitability, protecting stakeholders' interests. This statement provides a common framework and comparable measures for our Board and executive management to communicate, understand and assess the level of risk they are willing to accept.

Our Strategic Plan and Risk Appetite Statement are aligned and include an approach to risk and reward that is consistent with ensuring appropriate financial strength and operational resilience over the long term. Our strategy enables us to deliver on our purpose, attract and retain our clients and drive strong financial performance. Keeping the client experience at the center of our decisions is critical. We are well-positioned to protect profitability, accelerate transformation and elevate people and our communities while further enhancing our risk programs and infrastructure.

Risk Identification, Assessment and Management

Climate-related risk is not a stand-alone risk but can manifest in different areas of our risk taxonomy. Climate-related risks, including evolving regulatory matters, are incorporated into our overall assessment of strategic risk and our aggregate risk profile. Key risk categories, such as credit, operational, market and strategic risk, are managed in accordance with our overall risk management framework and appetite.

We assess the relative significance of climate-related risks using portfolio analyses and input from cross-functional teams including risk management, sustainability, operations and legal. These processes consider the potential impact on our associates, clients, business continuity and

financial performance, particularly within our footprint where certain physical risks may be more pronounced.

We conduct regular reviews through senior leadership and our Corporate Responsibility Working Group to ensure these risks remain appropriately contextualized within our overall risk profile.

By integrating climate considerations into our Enterprise Risk Report and business resiliency exercises, we maintain a balanced and adaptive approach to risk management, allowing us to meet regulatory expectations and support the prosperity of the communities we serve.

The chart below illustrates the physical and transition risks that are possible by risk type.

RISK TYPE AND DEFINITION	PHYSICAL RISKS failure to adapt to physical impacts	TRANSITION RISKS failure to adapt to changes in policy, market and tech
STRATEGIC Strategic risk is the current and prospective impact on earnings, capital, credit ratings or equity valuation arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the operating environment, inadequate management of resources, inability to execute on strategic initiatives, or other competitive forces.	Impact of inadequate planning or strategy regarding climate risk	Impact of heightened costs due to financing and/or delayed progress toward climate commitments
CREDIT Credit risk arises from the potential that a borrower, guarantor or counterparty will fail to perform on financial or contractual obligations.	Impact on repayment capacity and collateral value as a result of climate impacts	Possible asset quality deterioration of clients within carbon-intensive industries resulting from climate-related policy, legal or market impacts
MARKET Market risk is the risk to a financial institution's condition resulting from adverse movements in market rates or prices, such as interest rates, foreign exchange rates, commodity prices or equity prices.	Devaluation of assets due to physical impacts	Elevated market dysfunction and price volatility

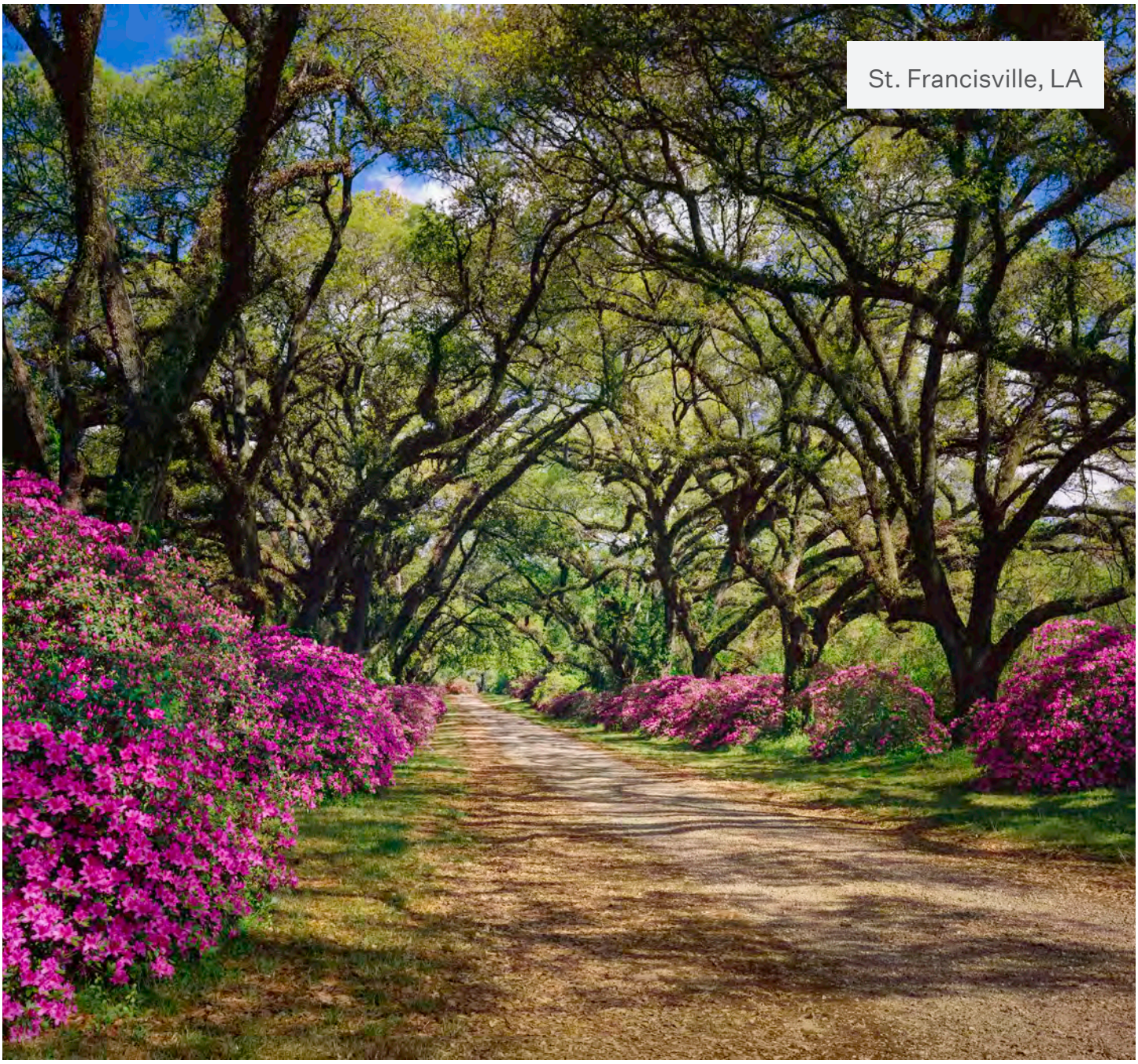
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OPERATIONAL		
Operational risk arises from the potential that inadequate or failed internal processes, people and systems or external events will result in losses.	Impact of extreme weather events on facilities, associates or vendors; resiliency of the Bank's technology	Increase in operating costs to incorporate requirements for regulatory and legislative changes; change management associated with processes
COMPLIANCE		
Compliance risk is the risk of legal or regulatory sanctions, material financial losses or loss to reputation the Company may suffer as a result of its failure to operate in a safe and sound manner, failure to comply with laws, regulations, rules, related self-regulatory organization, standards and codes of conduct applicable to its financial services activities.	Noncompliance due to business and market disruptions from extreme weather events	Long-term impacts of evolving climate regulation and guidance, including new disclosure and filing obligations that heighten compliance and legal risk
LIQUIDITY		
Liquidity risk is the potential that the Company will be unable to meet its obligations as they come due because of an inability to liquidate assets, obtain adequate funding or unwind or offset specific exposures.	Impact to availability and accessibility of capital in markets for certain sectors and industries	Impact of climate events on economic activity, deposit trends and other funding matters
CAPITAL ADEQUACY		
Capital adequacy risk is the potential that capital levels will be inadequate to preserve the safety and soundness of the Company, support ongoing business operations and strategies and protect against unexpected or sudden changes in the business/economic environment.	Incremental capital needed to absorb potential significant losses from climate change; physical climate change events may impact bank valuations	Adverse market movements resulting from transition risks such as legislative change, or from government fiscal responses; longer-term climate change risks may adversely impact the Bank's safety and soundness; cost of capital increases due to systemic changes in capital markets

Credit Evaluation

Keeping risks in mind for all relevant aspects of business creates long-term value and reduces the chance of negative impacts from strategic, credit and other risks. We recognize that risk management and business selection decisions are complex.

Credit risk evaluation incorporates a broad range of factors relevant to borrower performance and collateral value. Where relevant, these factors may include exposure to physical events or market and regulatory developments that could affect a borrower's operating environment. These considerations are evaluated within existing credit policies and do not constitute separate or standalone credit criteria.


St. Francisville, LA



Metrics and Targets

In This Section

25 Key Metrics and Targets

Raleigh, NC

Metrics and Targets Overview

The metrics and targets described here enable us to assess, manage and report on climate-related risks and opportunities. We continue to focus on operational energy efficiency and have achieved a significant reduction in Scope 1 & 2 GHG emissions since our 2019 baseline.

Several external and operational realities impact the metrics and targets we leverage to assess and manage climate-related risks and opportunities, including:

- **Regulatory Uncertainty:** Recent state GHG reporting requirements remain subject to significant legal challenges and have not been fully finalized or implemented. The phase-in periods and geographic application of these regulations are unsettled, creating uncertainty around future compliance requirements and data needs.
- **Methodological and Data Challenges:** Reliable quantification, particularly for Scope 3 ("financed emissions"), is hindered by evolving methodologies and significant gaps in data quality and availability industry-wide. To date, measurement of Scopes 1 and 2 has been performed voluntarily, and we continue to make investments to reduce these emissions.
- **Cost and Competitive Considerations:** Developing and assuring new systems for data gathering, emissions measurement and external verification creates substantial costs and possible competitive disadvantages in our markets.

We are actively monitoring regulatory developments, participating in industry dialogue on calculation approaches and reviewing internal data capabilities. Our priorities continue to center around regulatory alignment, strategic flexibility and stakeholder expectations. This approach ensures that current efforts are closely aligned with material regulatory obligations and risk management priorities.

Key Metrics and Targets

Risk Exposure Concentrations:

Using the TCFD and SASB frameworks, internal analysis and advice from advisors, we have identified industries that are potentially sensitive to climate transition risk. We monitor these considerations as a part of our existing risk management processes. Our analysis indicates that these industries total ~12% of our commercial portfolio as of 2025. See page 13 and 14 for more details.

We map commercial commitments in coastal areas ($9.3B as of 12/31/25) to monitor susceptibility to acute and chronic physical climate risks. See page 12 for more details.

Sustainable Lending and Investment:

Our Equipment Finance Division has provided over $1.5 billion in financing for renewable energy projects in the past 5 years, supporting more than 5,800 MW of capacity. See page 16 for more details.

Emissions Reduction:

We have achieved a 41.3% reduction in Scope 1 and 2 emissions compared to our 2019 baseline. We make continued investments in operational efficiency improvements and our emissions reduction is tracked annually. We are focused on continuing this downward trend through continued investments in building upgrades and operational efficiency projects.

Operational Projects and Upgrades:

Total number of energy efficient building upgrades: 121 in 2025.

Total spend on energy efficient building upgrades: $2.2M in 2025. See page 16 for more details.

Greenhouse Gas Emissions

We continue to disclose our Scope 1 and 2 emissions as we believe transparency may be helpful or useful to others. We are focused on continuing to trend downward, maintaining and operating our facilities with intentional efficiencies and operational improvements.

We calculate Scope 1 (direct) and Scope 2 (indirect) GHG emissions according to the GHG Protocol Corporate Standard, using operational control as the reporting boundary. The majority of activity data, such as energy usage for electricity and natural gas, is collected and verified through our third party Utility Bill Management (UBM) system, with manual collection for mobile sources (fleet vehicles, aircraft) and any facilities without invoice data.

For electricity, emissions are calculated using USEPA eGRID subregion factors; for natural gas, vehicles and aircraft, The Climate Registry's emission factors are used. When direct data is missing, modeled estimates are applied based on intensity factors for site type and climate zone. Data undergoes annual quality assurance processes, and emission records are retained for audit and verification. Exclusions include minor fuels from back up generators and common spaces in leased buildings.

EMISSIONS ($MTCO_2e$)	2019	2025	BASELINE PERFORMANCE
SCOPE 1	7,661	5,647	(26.3%)
SCOPE 2	43,639	24,455	(44.0%)
TOTAL SCOPE 1 & 2	51,299	30,102	(41.3%)

USAGE (MWh)	2019	2025	BASELINE PERFORMANCE
SCOPE 1	39,306	19,482	(50.4%)
SCOPE 2	99,291	66,111	(33.4%)
TOTAL SCOPE 1 & 2	138,597	85,594	(38.2%)

MWh – megawatt hour

$MTCO_2e$ -Metric tons of carbon dioxide equivalent

SCOPE 1 & 2 EMISSIONS DETAILS	UNITS	2025
SCOPE 1 EMISSIONS		
TOTAL	$MTCO_2e$	5,647
STATIONARY COMBUSTION	$MTCO_2e$	2,918
MOBILE COMBUSTION	$MTCO_2e$	830
FUGITIVE EMISSIONS	$MTCO_2e$	1,899
SCOPE 2 EMISSIONS		
TOTAL (LOCATION BASED)	$MTCO_2e$	24,455
SCOPE 1 & 2 EMISSIONS		
TOTAL (LOCATION BASED)	$MTCO_2e$	30,102
ENERGY USE		
TOTAL ENERGY CONSUMPTION	MWh	85,594
STATIONARY COMBUSTION	MWh	16,101
MOBILE COMBUSTION	MWh	3,381
PURCHASED ELECTRICITY	MWh	66,111

Value Chain Emissions

Scope 3 emissions are indirect emissions that are a result of activities from assets we do not own or control but that we indirectly affect in our value chain, consisting of both upstream and downstream activities.

The GHG protocol identifies 15 reporting categories of Scope 3 emissions, intended to provide companies with a systematic framework to measure emissions across a corporate value chain. As a financial institution, our primary Scope 3 emissions within Category 15 are “investments” or “financed emissions.” These emissions are linked to our investment, lending and underwriting activities. Obtaining accurate data for calculating these emissions has been a significant challenge for financial institutions.

Due to the ongoing development of various methodological approaches and unreliable data quality, we have not calculated our Scope 3 financed emissions at this time. We continue to monitor the development of calculation methodologies as well as the evolution of regulatory guidance related to Scope 3 emissions.

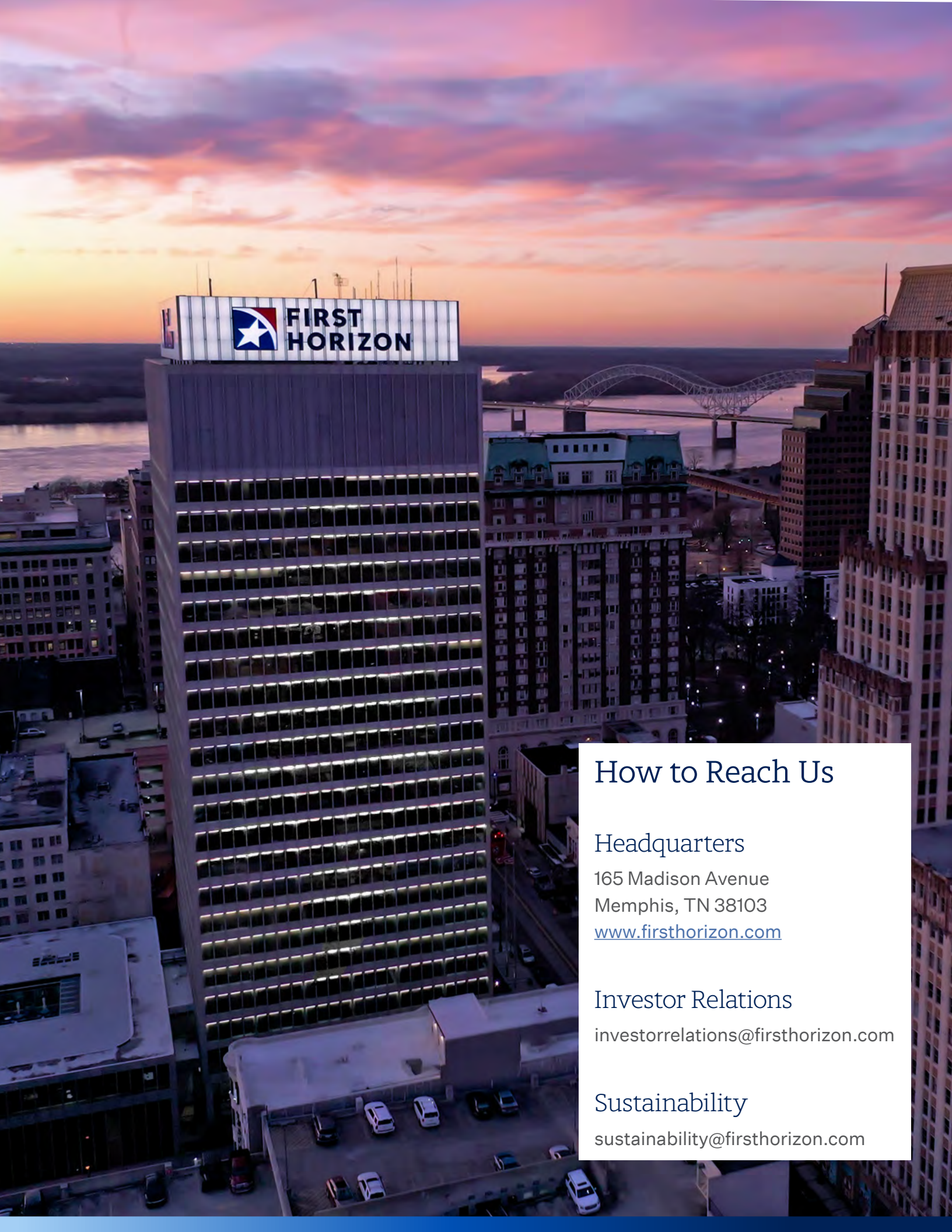
Appendix

The table below illustrates which recommendations and disclosures have been compiled in this report and which have not as well as a summary of why and future plans to disclose. We remain committed to continuous improvement, expanding processes, refining methodologies and evolving our disclosures in step with TCFD guidance and stakeholder needs.

TCFD RECOMMENDATIONS	COVERAGE	EXPLANATION / FUTURE PLANS
GOVERNANCE		
a) Describe the board's oversight of climate-related risks and opportunities.	Complete	Page 6
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Complete	Page 7
STRATEGY		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Complete	Page 11
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Complete	Page 15
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Partial	Page 15 Quantitative scenario analysis requires robust, granular data and sophisticated modeling tools, particularly for estimating long-term and complex climate impacts in the banking sector. Industry-wide gaps in data quality and availability, especially concerning physical and transition risks, limit our ability to perform detailed, quantitative assessments. We continue to monitor methodological advances and regulatory guidance on climate scenario analysis and will disclose if needed at a later date.

Continued on next page

RISK MANAGEMENT		
a) Describe the organization's processes for identifying and assessing climate-related risks.	Complete	Page 19
b) Describe the organization's processes for managing climate-related risks.	Complete	Page 19
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Complete	Page 19
METRICS AND TARGETS		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Complete	Page 24
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Partial	Page 26 We do not currently disclose Scope 3 GHG emissions. Calculating Scope 3 emissions is extremely complex for financial institutions. Accurate, reliable data needed to quantify these indirect, value chain emissions is generally unavailable, and industry-wide methodologies are still evolving. As a result, any calculation at this stage would lack the accuracy and integrity needed for meaningful disclosure. We continue to monitor regulatory and methodological advances and will disclose our Scope 3 emissions as needed at a later date.
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Partial	Page 25 We do not currently have any quantitative climate-related targets. Developing, measuring and assuring climate-related targets would create significant costs for the bank and could create competitive disadvantages. We continue to monitor regulatory developments and industry best practices when determining climate-related goals and targets.



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