A message from Chris Gorman

Thank you for your interest in KeyCorp’s 2022 Environmental, Social, and Governance (ESG) Report.

Responsible corporate citizenship is foundational to who we are, how we do business, and how we deliver value to all of our stakeholders: our clients, our teammates, our communities, and our shareholders.

We are committed to advancing Key’s ESG strategy and to making sustained progress against each of our four priorities:

- climate stewardship
- financial inclusion
- diversity, equity, and inclusion
- data privacy and security

**Climate stewardship**

We are taking measurable actions to create a more sustainable economy through products and services that support green buildings, energy efficiency, and renewable energy – while helping our clients to do the same. We are proud to be the number two renewable energy financier in North America.

In 2022, we achieved the following milestones:

- Committed to raising more than $38 billion to address climate change and support green initiatives by the end of 2026.
- Pledged to achieve carbon neutral operations across our scope 1 direct emissions and scope 2 indirect emissions by the end of 2030.
- Joined the Partnership for Carbon Accounting Financials (PCAF) to complete the measurement and evaluation of scope 3 financed emissions.
- Achieved a 39% reduction in our absolute emissions (from 2016 baseline).
- Achieved significant progress against our climate risk framework, including expanding climate scenario analysis capabilities and enhancing the identification of both physical and transition risks.
- Enhanced our transparency and disclosures, as demonstrated by our second annual Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB), now International Sustainability Standards Board (ISSB) reports.

**Financial inclusion**

Since 2017, we have delivered nearly $33 billion in capital in support of affordable housing, home lending, and small business lending in low- and moderate-income communities.

In 2022, Key joined the White House Administration’s Economic Opportunity Coalition. As a founding member, we are working alongside leading companies and community organizations to invest in community development financial institutions and minority depository institutions. Additionally, we are supporting entrepreneurship and minority-owned businesses.

Our processes, products, and services continue to drive financial inclusion in our communities and support our clients’ financial wellness. Changes introduced in 2022 included enhancements to our suite of overdraft protection products and services. This included the launch of the Key Coverage Zone\(^{SM}\) where client accounts overdrawn by $20 or less at the end of the day are not charged overdraft.
fees. Additionally, we eliminated fees for non-sufficient funds for consumer and small businesses and made other enhancements focused on creating greater flexibility for our clients and helping them take control of their financial journey.

Diversity, equity, and inclusion

In 2021, we committed to increasing representation of people of color in our senior leadership roles by 25% over the next five years and 50% over the next 10 years. In our initial 18 months, we successfully increased representation by 36%. We remain committed to achieving our 10-year goal.

In 2022, Key ranked 18th on DiversityInc’s “Top 50 Companies for Diversity” global ranking. Our 13th time on the list and our highest ranking ever are testament to our long-term commitment to DE&I as well as the effectiveness of our strategies and practices. While we celebrate this milestone, DE&I is an ongoing priority that requires continuous reflection, evolution, and improvement.

Our commitment to DE&I extends beyond our workplace to the communities we serve. In 2022, 12% of our spend was associated with diverse suppliers / partners, exceeding our annual goal of 8%. We have supported supplier diversity initiatives for decades, driving economic inclusion by working with businesses that are owned, operated, and controlled by those who identify as minority, women, veterans, service-disabled veterans, LGBTQ+, or individuals with a disability.

Our teammates are equally dedicated to creating more equitable and inclusive communities. In 2022, our team volunteered more than 90,000 hours and participated in more than 500 events during our 31st annual Neighbors Make the Difference Day. Our teammates also contributed more than $4.5 million to nonprofits around the world, including matching gifts from Key.

Data privacy and security

Keeping the personal and financial information of our clients and employees protected and secure is one of Key’s highest priorities and is foundational to the trust our clients place in us.

We are continually strengthening our data safeguards and controls. Critical information security and fraud initiatives implemented in 2022 included:

- Strengthening endpoint protections, event monitoring and analytics, and modernizing identity and access management processes and controls.
- Enhancing fraud detection capabilities and improving customer service in case management and dispute resolution.
- Evolving client access and authentication as the demand for a digital-first client experience continues to increase.

In conclusion

I am proud of the notable progress and advancements we made in support of our ESG priorities in 2022. This progress was made possible by the dedication of our more than 18,000 teammates and the guidance of our diverse and experienced Board of Directors.

We remain focused on continually raising the bar – for ourselves and for our industry. Conversations with stakeholders and community partners continue to inform our path forward and help us deliver on our purpose: to help our clients, colleagues, and communities thrive. We look forward to continuing this important work in 2023 and beyond.

Sincerely,

Chris Gorman  |  Chairman and Chief Executive Officer

April 2023