About this report

KeyCorp’s seventh annual Corporate Responsibility (CR) Report – a companion piece to our Annual Report to shareholders – provides all stakeholders with an update on the company’s CR priorities and progress.

KeyCorp uses the Global Reporting Initiative (GRI) framework to provide transparent disclosure of Key’s most significant areas of impact in a manner comparable with peers and industry benchmarks. GRI is an international, independent standards organization that helps businesses understand and communicate their environmental, social, and governance (ESG) impacts and opportunities. In 2017, Key transitioned reporting from GRI-G4 to the new GRI Reporting Standards to align with the most current framework.

By way of this document, Key reports on the CR progress of KeyCorp; including KeyCorp’s subsidiary bank, KeyBank National Association; and KeyBank Foundation, for the calendar year ending December 31, 2017.

For additional disclosure of KeyCorp’s ESG topics, visit the GRI content index and key.com/community and KeyCorp’s Corporate Governance page.

Feedback and questions about our corporate responsibility efforts and this report are welcomed and can be addressed to Andrew Watterson, KeyCorp’s Head of Sustainability: andrew_watterson@keybank.com or 216-689-5418. View this and previous KeyCorp Corporate Responsibility Reports at key.com/crreport.
Thrive

We are grateful for your interest in KeyCorp’s 2017 corporate responsibility efforts. Whether you are a client, a community partner, an investor, an employee, or interested in joining our company, we appreciate you taking the time to learn about Key’s legacy as a responsible bank and citizen.

2017 marked the first year of our five-year, $16.5 billion National Community Benefits Plan. We exceeded the commitments of the Plan by delivering $2.8 billion in community development lending and investment, mortgages, small business loans, and transformational philanthropy in the communities we call home.

Together, the KeyBank Foundation and First Niagara Foundation made $38 million in grants during 2017 to spark economic growth and workforce development, stimulate small business success, and create thriving communities.

With a focus on responsible operations, KeyBank’s Corporate Real Estate & Sustainability teams established new emissions and renewable energy targets for the enterprise, placing a clear and strategic focus on accelerating our internal sustainability efforts.

And, after a remarkable career that spanned nearly three decades with KeyBank, Bruce Murphy announced his intention to retire as of July 1, 2018.

Our purpose – to help our clients and communities thrive – is not just what we do, it is who we are as a company and as a culture. Thank you for your partnership on this journey.

Sincerely,

Beth E. Mooney
Chairman and Chief Executive Officer

Bruce D. Murphy
EVP, Head of Corporate Responsibility

For additional information, visit the GRI Index.
About KeyBank

- One of the nation’s largest U.S. bank-based financial services companies
- Locally driven community bank with sophisticated corporate banking capabilities
- Serving 3 million clients across the U.S.
- $137.7 billion in assets, $86.4 billion in loans, and $105.2 billion in deposits
- Highly regarded community development and financial wellness platform
- Diverse and experienced Board of Directors and leadership team
- One of the nation’s top lenders supporting affordable housing development
- One of the largest lenders supporting renewable energy development in the U.S.
- Award-winning culture of diversity and inclusion

1,572 ATMs
1,197 Branches
$137.7 billion Total assets
$6.3 billion Total revenue
18,415 Full-Time Employees (Average full-time equivalent)
15 States (Key Community Bank)

Data as of 12/31/17.

For additional information, visit the GRI Index.
Head of Corporate Responsibility Bruce Murphy retiring from Key
After a remarkable career that has spanned nearly three decades with Key, Bruce Murphy shared his intention to retire in July 2018. He leaves a lasting legacy of lifting neighbors and neighborhoods and strengthening our brand as both a responsible bank and responsible citizen.

Don Graves named Head of Corporate Responsibility and Community Relations
Don Graves, Senior Director of Corporate Community Initiatives & Relations, will succeed Bruce Murphy as Head of Corporate Responsibility. Don’s extensive experience in community engagement, neighborhood revitalization, and economic development are a testament to his good fit with Key.

Chief Risk Officer Bill Hartmann retires
Bill Hartmann retired from Key in April 2018. Under Bill’s leadership, Key strengthened its risk management discipline and controls, as well as its relationships with key regulatory agencies.

Mark Midkiff named Chief Risk Officer
Mark Midkiff joined Key as Chief Risk Officer, succeeding Bill Hartmann. Mark’s thirty-year career in risk management has given him the depth and breadth of experience to effectively lead Key’s Risk Management organization.

Don Kimble and Chris Gorman named to Vice Chair roles
Beth Mooney named Don Kimble and Chris Gorman Vice Chairs of KeyCorp. In addition, Chris assumed a new role as President of Banking, with responsibility for Key Community Bank and Key Corporate Bank.
Organizational announcements

Poppie Parish, Chief Diversity & Inclusion Officer, retires from Key
After a remarkable career that spanned 35 years, Poppie Parish retired from Key in December 2017. During her 16-year tenure at our company, she personified the Key Values and championed the diversity of our culture and that of our partners.

Kim Manigault named Chief Diversity & Inclusion Officer
Kim Manigault, Technology Chief Financial Officer, was named Key’s new Chief Diversity & Inclusion Officer, succeeding Poppie Parish. Kim champions our diverse workforce and leads the long-term planning and execution of related initiatives across the organization. In addition to her contributions to Finance, Kim has been involved in many of Key’s enterprise-wide D&I initiatives and recently served as President of the Cleveland Chapter of the African American networking group.

Patrick Smith named Head of Financial Wellness and Strategy
In September 2017, KeyBank named Patrick Smith to lead our financial wellness and strategy program. He has extensive experience creating strategies that ensure a consistent client experience across all channels – for all clients – whether they opt to bank in person, via digital, or by telephone.

Key acquires HelloWallet
In July 2017, Key acquired HelloWallet, accelerating our commitment to financial wellness. The combined platform brings together two firms, an industry-leading platform, and incredible talent to create a differentiated client experience centered on financial wellness.

Key acquires Cain Brothers & Company, LLC
KeyBanc Capital Markets® (KBCM) acquired Cain Brothers & Company, LLC, in October 2017. By acquiring Cain Brothers, Key underscores its commitment to creating the premier corporate and investment bank serving dynamic emerging growth and middle market companies and financial sponsors.
Corporate Responsibility priorities

Operating with integrity
- Environmental footprint
- Ethics, compliance, and risk management
- Supply chain practices

Driving performance
- Client privacy and data security
- Green banking
- Strong reputation and financial performance

Growing talent
- Award-winning culture of diversity & inclusion
- Thriving employees
- Highly engaged workforce

Strengthening community
- Economic inclusion and community vitality
- Fair and transparent client experience

Corporate Responsibility Governance
Effectively managing Key’s corporate responsibility priorities is essential to fulfilling our purpose to help clients and communities thrive. The Nominating and Corporate Governance Committee of the Board is charged with leading enterprise efforts to advance corporate responsibility at Key. Corporate Responsibility and enterprise progress is advised by KeyBank’s Corporate Responsibility Council, chaired by the President of Banking and comprised of senior leaders across the enterprise.

For additional information, visit the GRI Index.
Responsible banking

Together, we share a commitment to responsible banking, responsible citizenship, and responsible operations. Building relationships with integrity, authenticity and transparency creates trust with our clients and in the communities we serve. On a foundation of financial wellness, we succeed when our clients succeed and our communities thrive. We believe our communities need our time and investment as much as our company. We work with our clients and communities to create a more sustainable economy through energy efficiency and renewable energy investments.

“We build enduring relationships by delivering ease, value, and expertise. We continue to develop products and capabilities to better serve our clients’ needs and to make it easier to bank with Key.”

E.J. Burke, Co-President, Key Community Bank
2017 marked the first year of the five-year, $16.5 billion National Community Benefits Plan supporting low-to-moderate income individuals and communities. This ground-breaking investment for our industry underscores our commitment to helping clients and communities thrive. In 2017, Key exceeded the commitments of the Plan by delivering $2.8 billion in community development loans and investments, mortgages and small business loans for the underserved, and transformative philanthropy.

In 2017, KeyBank formalized a National Advisory Council and Regional Advisory Councils as part of its Community Benefits Plan. The councils, which include a diverse group of community leaders, oversee plans to provide transformational and meaningful community investment.

2017 Progress

<table>
<thead>
<tr>
<th>Category</th>
<th>2017 Target</th>
<th>2017 Actual</th>
<th>Goal Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDLI</td>
<td>$1.29 billion</td>
<td>$1.93 billion</td>
<td>150% of goal</td>
</tr>
<tr>
<td>Small Business Lending</td>
<td>$300 million</td>
<td>$390 million</td>
<td>130% of goal</td>
</tr>
<tr>
<td>Mortgage</td>
<td>$639 million</td>
<td>$443 million</td>
<td>69% of goal</td>
</tr>
<tr>
<td>Philanthropy</td>
<td>$29 million</td>
<td>$38 million</td>
<td>131% of goal</td>
</tr>
</tbody>
</table>
Community Development Lending and Investments

KeyBank Community Development Lending and Investment (CDLI) finances projects that stabilize and revitalize communities. We are one of the top affordable housing lenders in the country with a platform that brings together balance sheet, equity, and permanent loan offerings. CDLI has made substantial investments supporting community development and affordable housing projects representing an investment of $3.4 billion since 2016.

"An affordable housing crisis in America persists with only 35 affordable rental units available for every 100 households considered extremely low income, with a disproportionate impact on minorities. We are very proud of the commitment Key has made to prioritize the development and rehabilitation of affordable rental housing in our communities."

Angela Mago, Executive Vice President, Co-Head of Corporate Bank

2017 CDLI project highlights

Allegheny Dwellings – Phase I
Pittsburgh, PA

KeyBank CDLI provided $16.6 million in total financing for Allegheny Dwellings Phase I in Pittsburgh, PA. Developed by TREK Development Group, in partnership with the Housing Authority of the City of Pittsburgh, the project involves replacing existing public housing with 65 new mixed-income units – 47 affordable and 18 market-rate townhomes, walk-up and apartment-style units – in Pittsburgh’s Fineview neighborhood. The project is our first investment in Pittsburgh affordable housing market since it acquired First Niagara in 2016.
Renton Commons – Renton, WA

KeyBank CDLI provided an $8.5 million construction loan and $10.5 million in 9% Low Income Housing Tax Credit (LIHTC) equity for the development of a 48-unit affordable housing project with 36 units of permanent supportive housing located in Renton, WA.

Thirty-six units will be reserved for homeless U.S. Military veterans and formerly homeless families with children. The remaining units will target households at or below 50% area median income (AMI). The property also includes dedicated common space for use by residents and a counseling office to be used by Sound Mental Health (SMH) to provide on-site case management services.

Fifty Eight Hundred Project – Lakewood, CO

In 2017, our CDLI team provided $57.2 million to Metro West Housing Solutions’ Fifty Eight Hundred Project, a 152-unit affordable housing project located near Denver in Lakewood, CO. This financing package included a $26.3 million construction loan and a forward-starting $10.8 million Freddie Tax-Exempt Loan. In addition, CDLI invested $20.1 million in LIHTC equity.

This project provides a much needed affordable housing option to workforce households and families making between 30 and 60% AMI. In addition, the Fifty Eight Hundred Project supports a range of community needs by offering safe, decent and affordable units; critical supportive services; and easy access to local resources such as schools, sports facilities, parks, playgrounds, and retail centers.

“We develop beautiful, sustainable housing that meets the needs of our community members. We found in KeyBank a partner that is equally committed to this mission, and we are thrilled to work on Fifty Eight Hundred together.”

Tami J. Fischer, Executive Director and CEO, Metro West Housing Solutions.
Poppleton Project
West Baltimore, MD

As part of our CDLI’s national reach in supporting affordable housing, KeyBank provided $56.1 million in FHA-insured 221(d)4 financing for the construction of Center/West Apartments, a large-scale redevelopment project in the Poppleton neighborhood located in Southwest Baltimore. The first phase will consist of a six-story complex with 262 units. Twenty percent of the units are designated affordable housing – for those making at or below 50% of the AMI. There is also 19,000 square feet of ground floor retail, neighborhood services, a dog park, and a plaza in front of the historic Poe House in West Baltimore, MD.

La Cité Development, LLC has been working closely with the City of Baltimore to ensure Center/West serves the needs of the existing community while simultaneously revitalizing the area. Key served an integral role in the development’s first phase by executing the fastest firm commitment to finance new construction in the history of the U.S. Department of Housing and Urban Development (HUD).

“At La Cité, we are motivated by opportunities to improve neighborhoods. Key’s ability to provide fast financing solutions helped us work with the City of Baltimore and move forward with the first phase of construction of Center/West.”

Dan Bythewood, Cofounder and President of La Cité Development
Financial Wellness: Helping our clients thrive, one decision at a time

KeyBank’s innovative Financial Wellness strategy empowers clients with tools and insight so they are able to take control of their money, one decision at a time.

We know many people lack the confidence they need to take the right steps to take to get them where they want to go financially. And, research shows people want to take action to improve their financial wellbeing.

Only KeyBank can offer a high-tech, high-touch experience that brings together banker insight and expertise with a market-leading digital personal finance management tool.

Our financial wellness tool – Hello Wallet – helps clients understand their entire financial situation. Our insight, based on what we know about our clients, helps them make confident choices. From establishing financial goals to picking a bank product, we are committed to doing what’s best for our clients.

We are proud of our progress – as of late 2017, more than 270,000 KeyBank clients were using our platform to take charge of their money and chart their financial course.

“Financial wellness for me is a sense of comfort – that I’m doing the best that I can with what I have, and it’s going in the best possible areas of my life. It’s been really interesting how caught up I was with my money controlling me. Now, I am in control of it.”

Eileen, Newberg, OR
Financial Wellness: Stabilizing the financial health of neighbors and neighborhoods

KeyBank Plus® is a unique platform of solutions specifically designed to support economic stability and wealth-building in underserved communities. With KeyBank Plus, individuals have access to products and services that go beyond “traditional” banking to help local residents achieve financial stability. An account is not required to participate in KeyBank Plus.

The KeyBank Plus suite includes the following products and services:

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

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

Community Development Mortgage platform

When KeyBank developed its mortgage platform in 2016, it did so with under served communities in mind. By the end of 2017, we had nearly 40 mortgage loan officers across the U.S. dedicated to supporting low- to moderate-income individuals.

*Currently only offered in select markets.
Advancing a more sustainable economy

KeyBank is creating a more sustainable economy through products and services that support green buildings, energy efficiency, high efficiency vehicles, and renewable energy. We do this through our retail and commercial banking products in Key Community Bank, investment products in Key Private Bank, equipment financing through Key Equipment Finance, and lending and capital investments through KeyBanc Capital Markets.

Key4Green

Key’s Energy Efficiency and Renewables team helps businesses of all kinds achieve sustainability – whether directly to businesses through energy upgrades that improve efficiency, reduce waste, and minimize the impact on the environment, or as a financing partner to renewable energy providers and their clients.

Partner highlight

Through its partnership with KeyBank, Green Earth Energy PV – a solar industry leader in Massachusetts and Connecticut – is providing value not only to its commercial customers, but also for its nonprofit clients. For more than two years, Green Earth Energy has worked with KeyBank to assist more than a dozen nonprofit entities with infrastructure and renewable energy improvements, including rooftop solar installations that harness power from the sun.

Partnerships with businesses such as Green Earth Energy maximize the impact of KeyBank’s sustainability initiatives, which include investing in renewable energy and helping customers reduce their environmental footprint.
Renewable energy

Since 2007, KeyBanc Capital Markets® has been investing in renewable power generation in the U.S. KBCM also 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.

In 2017 alone, KBCM added more than 3.4 GW of capacity to its portfolio of investments. As of the end of 2017, Key had financed more than 22.8 GW of renewable energy capacity and had $3 billion currently committed to the sector. KBCM’s portfolio is part of a diverse portfolio of energy and utility investments that advances a responsible approach to energy development.

### Renewable Energy Investments

<table>
<thead>
<tr>
<th>Year</th>
<th>Dollar Amount</th>
<th>Cumulative Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$3.1 Billion</td>
<td>14.9 Gigawatts</td>
</tr>
<tr>
<td>2016</td>
<td>$3.4 Billion</td>
<td>19.5 Gigawatts</td>
</tr>
<tr>
<td>2017</td>
<td>$3.0 Billion</td>
<td>22.8 Gigawatts</td>
</tr>
</tbody>
</table>

By the end of 2017, our renewable energy portfolio investment was $3 billion.

Our $3 billion investment in renewable energy has the potential to power the equivalent of more than 3.7 million homes.

KeyBanc Capital Markets Inc. successfully closed Senior Secured Credit Facilities for the Cuyama Solar project, which is owned by an affiliate of D. E. Shaw Renewable Investments, L.L.C. Cuyama Solar is a 40MWAC project located in Santa Barbara County, CA. The project will utilize First Solar modules on ground-mounted, single-axis trackers and Huawei three-phase string inverters. Power generated from the project is expected to be enough to power the equivalent of more than 7,000 homes. This transaction exemplifies KBCM’s enduring commitment to growing the renewable energy sector.
Responsible citizenship

Volunteerism is central to our culture and to our character as a company. We believe that diversity and inclusion are business accelerators. As a testament to KeyBank’s corporate responsibility efforts, we have received eight straight “Outstanding” ratings for exceeding the terms of the Community Reinvestment Act (CRA) from the Office of the Comptroller of the Currency.
Stakeholder engagement

Every community KeyBank operates in has its own opportunities and challenges. Understanding and leveraging these unique qualities is essential to our success and the communities we serve.

Our market-based community engagement strategies drive Community Reinvestment Act (CRA) performance, and the $16.5 billion National Community Benefits Plan. Regional and market-based Corporate Responsibility officers work with the lines of business and market leadership to develop and implement the annual community engagement strategies. This infrastructure ensures the company is informed about the opportunities and challenges at the market level. This approach enables KeyBank to be proactive and responsive to the local needs of the communities we serve.

Engaging Our Stakeholders

Employees:
Surveys, performance reviews, training & development

Suppliers:
In-person, regular calls, emails, surveys

Shareholders:
In-person, regular calls, annual shareholders’ meeting, investor conferences

Clients:
In-person, regular calls, emails, surveys

Regulators:
In-person, CRA and compliance reviews, regular calls

Communities:
National and Regional Advisory Councils, community engagement strategies

“Building a strong and valuable relationship with our clients is what sets us apart from our competitors. When our customers thrive in the communities they live, they value what we do for them.”

Don Graves, Senior Vice President and Senior Director, Corporate Community Initiatives and Relations

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Diversity and Inclusion

Diversity and Inclusion (D&I) are critical business accelerators in KeyBank’s workforce, workplace, and marketplace. Every employee is essential to building an inclusive culture through our high-performing, talented, and diverse workforce.

At KeyBank, Supplier Diversity is more than choosing a supplier – it is smart business. This core value helps us create sustainable relationships that support our investment in our communities and our efforts to create inclusive and collaborative partnerships that are ultimately good for Key.

In 2017, we earned highly favorable Employee Engagement Survey results, a direct reflection of our commitment to diversity and inclusion in the workplace and recognition of our respect for the value of human differences. In fact, 93% of employees were highly engaged/engaged that “KeyBank supports diversity in the workplace.”

“Diversity and inclusion are core to our Key Values and our relationship-based business model. Our teammates throughout KeyBank see diversity and inclusion at the heart of what we do every day and how we deliver in every way. We believe diversity and inclusion drive our shared success.”

Kim Manigault, Chief Diversity & Inclusion Officer

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44% of KeyCorp’s board composition is diverse (minorities & women)

66% of KeyBank’s enterprise workforce is diverse (minorities & women)
Diversity and Inclusion: Talent and recruiting strategy

In 2015, Key embarked on a focused strategy to improve our diversity of hire. Our efforts to advance KeyBank as an inclusive employer-of-choice provide: education and resources for leaders and recruiters, expanded external awareness and branding, and strengthened relationships with campus, community, and professional organizations.

Our efforts have resulted in the following:

- 27% of hires in 2017 were minorities
- 4% of hires in 2017 were people with disabilities
- 3% of hires in 2017 were veterans
- 60% of hires in 2017 were women

“I am new to Key and had researched on key.com during my application process. It made it that much easier for me knowing I could be working for a new place that was committed to diversity and inclusion.”

A new hire, member of the Champions for People with Disabilities KBING
Diversity and Inclusion: Talented and diverse workforce

As set by the board of directors, one of KeyBank’s top strategic priorities is to engage a high-performing, talented, and diverse workforce.

Key U.S. Employee Diversity in December, 2017

<table>
<thead>
<tr>
<th>Role</th>
<th>Female</th>
<th>White</th>
<th>Black/African American</th>
<th>Hispanic/Latino</th>
<th>Asian</th>
<th>All Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>KeyCorp Board of Directors</td>
<td>31%</td>
<td>88%</td>
<td>12%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Exec./Sr. Level Officials and Managers</td>
<td>27%</td>
<td>85%</td>
<td>7%</td>
<td>4%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>First/Mid-level Officials and Managers</td>
<td>50%</td>
<td>87%</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Professionals</td>
<td>50%</td>
<td>84%</td>
<td>6%</td>
<td>3%</td>
<td>7%</td>
<td>1%</td>
</tr>
<tr>
<td>Sales Workers, Admin Support, and Service Workers</td>
<td>69%</td>
<td>76%</td>
<td>10%</td>
<td>7%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Total KeyCorp Workforce (19447 employees)</td>
<td>60%</td>
<td>80%</td>
<td>8%</td>
<td>5%</td>
<td>5%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Data as of December 9, 2017. This information is developed based on current EEO-1 reporting categories, and represents KeyCorp’s diversity in 2017.

"Valuing diversity and fostering inclusion are part of Key’s corporate fabric – from the boardroom to the backroom. This work is central to the character of our company, the engagement of our teams, and the collective quality of our work.”

Trina Evans, Chief of Staff and Director of Corporate Center

For additional information, visit the GRI Index.
Diversity and Inclusion: Valuing gender pay equity

KeyBank is strongly committed to the principle of gender equity. We are the nation’s only large regional bank with a female Chief Executive Officer, several prominent female executives on its Executive Leadership Team, and strong gender diversity on its Board of Directors.

Our commitment to gender equity extends to pay equity, and we support this commitment by maintaining a formal pay structure, making pay decisions based on objective job-related criteria, and rigorously analyzing pay decisions that are made. Our commitment is demonstrated through:

• Our formal compensation structure to establish pay opportunity on objective factors such as external survey data, required education and experience. We regularly review this structure in light of market trends and internal equity. And, we provide our employees with a clear sense of career progression.

• Our pay for performance philosophy. Pay decisions are based on the assessment of individual performance, business unit performance and Key’s overall performance. These decisions also consider performance against risk expectations and whether employee behaviors are consistent with our values. We provide extensive resources and work closely with our managers to help them make equitable pay decisions.

• Regular, robust statistical analyses of our pay and performance decisions. The analyses compare compensation and performance ratings of employees in similar roles to assess whether males and females and minorities and non-minorities are compensated equitably. When statistical disparities are identified, further analysis is conducted to identify whether valid job-related factors explain the disparity. Otherwise, the disparity is remediated. In our most recent review, differences were found for less than 0.5% of employees and adjustments were made to resolve the disparities. All other differences were determined to be based on job-related reasons, and no adjustments were necessary for those employees.

• In compliance with various state and local laws, salary history is no longer solicited from applicants in certain geographic areas, which account for a substantial percentage of our footprint. We are currently evaluating the impact of this growing regulatory trend and considering expanding the practice enterprise-wide.

We continually assess and enhance our practices. The framework used to analyze pay discrepancies has been in place for more than 10 years, and it has evolved over this time to become even more comprehensive. We believe our practices are an effective method to monitor and address pay inequities.
Diversity and Inclusion: Tackling unconscious bias and building inclusion

Awareness of unconscious bias is imperative for effective collaboration, innovation, and engaging clients and colleagues. In 2017, KeyBank successfully launched multiple learning platforms for employees to enhance our culture.

**KeyBank invested in three major initiatives that engaged more than 16,000 employees in unconscious bias training:**

- Facilitator-led sessions for 1,800 leaders, managers and “front line” employees featuring targeted content for the unique needs of each line of business.

- A four-part weekly “Skill Builder” series completed by 7,200 (98%) branch network employees focused on enhancing client experiences and employee skill sets.

- An enterprise-wide e-learning course taken by nearly 7,200 (65%) additional employees (outside of the branch network) to identify unconscious bias, take steps to mitigate biases, and maximize the impact of our behaviors and interactions with our clients, co-workers, and communities.

For additional information, visit the GRI Index.
Diversity and Inclusion: Key Business Impact and Networking Groups

Key Business Impact and Networking Groups (KBINGs) are company-sponsored employee resource groups that are open to all employees. In fact, more than half of our employees belong to a KBING. The KBINGs harness the knowledge and experience of our employees who represent many different dimensions of diversity.

<table>
<thead>
<tr>
<th>KBINGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• African-American</td>
</tr>
<tr>
<td>• Asian</td>
</tr>
<tr>
<td>• Champions of People with Disabilities</td>
</tr>
<tr>
<td>• Hispanic/Latino</td>
</tr>
<tr>
<td>• Jewish Cultural</td>
</tr>
<tr>
<td>• Key Women’s Network</td>
</tr>
<tr>
<td>• Key for Lifetime Contributors</td>
</tr>
<tr>
<td>• Key Young Professionals</td>
</tr>
<tr>
<td>• Lesbian, Gay, Bisexual, Transgender and Allies</td>
</tr>
<tr>
<td>• Military Inclusion</td>
</tr>
</tbody>
</table>

**Key for LifeTime Contributors**

A new segment, Key for Lifetime Contributors KBING (KeyLC), was launched to move KeyBank forward by understanding mid-career, multigenerational commonalities and differences to create an inclusive workplace. KeyLC supports all employees adjusting to changing workplace dynamics by harnessing mid-career knowledge and related professional experience to make meaningful contributions to the workplace and community.

**KeyBank’s KBINGs have experienced unprecedented growth in 2017, including:**

- Launched a new enterprise-wide group for experienced employees (Key for Lifetime Contributors KBING)
- Established 23 new KBING chapters across 11 markets (38% year-over-year growth)
- Engaged employees through *Key Employee Days, presented by the KBINGs*. Awareness events in five markets resulted in 1,100 new memberships
Diversity and Inclusion: Supplier diversity

KeyBank is committed to building partnerships with diverse-owned companies. The powerful attributes of inclusion, diversity, and respect that we aspire to infuse within our organization have powerful outcomes.

Supplier diversity is a strategic priority and a sound investment in the communities that we serve. Chief Executive Officer Beth Mooney and her executive team are committed to building strong and viable relationships with minority, women, veteran, service-disabled veteran, disability, and LGBT-owned businesses.

KeyBank Supplier Summit

KeyBank hosted the 2017 KeyBank Supplier Summit on October 18 in Amherst, N.Y. Two dozen companies from the Buffalo, Rochester, Syracuse, and Cleveland regions attended the all-day event focused on facilitating productive discussions on Supplier Diversity, Sustainability, Procurement, Corporate Real Estate, and Business Banking and introducing prospective diverse suppliers to KeyBank.

In addition to workshops and supplier exhibits, KeyBank participants facilitated one-on-one matchmaker meetings for diverse owned businesses to gather information regarding Key initiatives, share information about their products and services, and establish professional relationships that could potentially lead to Tier I or Tier II procurement opportunities.

Future Supplier Summits are planned for Cleveland, OH (2018) and Seattle, WA (2019).

“Whether it’s our workforce, our clients, our communities or suppliers, KeyBank is committed to diversity and inclusion in all we do. We believe we’re at our best when we promote diversity across our supply chain.”

Gary Quenneville, Regional Sales Executive for KeyBank in Upstate New York
Transformative philanthropy

KeyBank Foundation is a non-profit charitable organization founded in 1969 and funded by KeyCorp. The Foundation’s strategic framework is designed to advance the concept of “Thriving Communities” through the three fundamental priorities of neighbors, education and workforce – all reinforced by community service.

“Very simply, the KeyBank Foundation is focused on people and neighborhoods. The size and scope of our work shows just how committed we are to the future of our communities. Together, we will work to economically transform neighborhoods across our footprint from the ground up.”

Margot Copeland, Executive Vice President, Director of Philanthropy and Civic Engagement

KeyBank Foundation has a unique lens through which all grant-making takes place, adhering to five important tenets:

<table>
<thead>
<tr>
<th>Diversity and Inclusion</th>
<th>KeyBank Foundation grants are made to organizations that practice a culture of inclusion among their Boards, employees, and those they serve.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Capability</td>
<td>KeyBank Foundation invests in programs that help motivate and enable people to make sound financial decisions, empowering individuals with the skills, knowledge, and access to tools needed to drive them toward long-term financial wellbeing.</td>
</tr>
<tr>
<td>Transformational Outcomes</td>
<td>KeyBank Foundation makes a difference by investing in ways to change existing situations and better the quality of life for individuals and groups. Using community partnerships, the Foundation designs innovative programs that solve community needs and backs those programs with philanthropic investment.</td>
</tr>
<tr>
<td>Measuring Impact</td>
<td>Grantmaking is designed to improve the quality of life for individuals in measurable ways. Grantee reporting to the KeyBank Foundation is rigorous, demonstrating the social return and impact of philanthropic investment through in-depth performance measurements.</td>
</tr>
<tr>
<td>Sustainability</td>
<td>KeyBank Foundation aims not only to make positive change, but also maintain that change over time with continual improvement. By investigating the root causes of community problems, taking a long-term view of the current situation, and implementing plans to incorporate a broader social vision, the Foundation catalyzes change that endures.</td>
</tr>
</tbody>
</table>
Transformative philanthropy: KeyBank Foundation 2017 Investments

At Key, we make transformative philanthropic investments in the communities we serve. We partner with organizations and invest in programs that change the fabric and quality of life of an individual and enhance the economic vitality of the community. In 2017, we invested $38 million in the communities we so proudly serve.

2017 Investment Highlights

KeyBank Business Boost & Build Program, powered by JumpStart

The KeyBank Foundation announced its single largest philanthropic $24 million grant to fuel the “KeyBank Business Boost & Build Program, powered by JumpStart” in communities across Ohio and upstate New York. The initiative is designed to stimulate economic growth and workforce development by fostering small business success.

“KeyBank’s purpose is to help clients and communities thrive. We are committed to being both a responsible bank and a responsible citizen,” says CEO Beth Mooney. “We accomplish this by improving access to education and career opportunities, lifting neighborhoods up, fostering innovation, creating pathways to home and business ownership, and encouraging community engagement, diversity, and inclusion. While KeyBank and JumpStart have been long-standing partners, this expansion is purpose in action.”
Connecticut Center for Arts and Technology

Key announced the largest grant to date made by KeyBank Foundation in Connecticut – a $1 million investment in the Connecticut Center for Arts and Technology (ConnCAT) in New Haven. The grant will be used over a three-year period to advance ConnCAT’s adult job training program. ConnCAT opened in 2012 and has helped more than 300 disadvantaged adults from New Haven and surrounding communities prepare for careers in the health care and hospitality fields.

Micro Enterprise Services of Oregon

The KeyBank Foundation announced its largest grant ever in the Oregon/Southwest Washington market – $250,000 to Micro Enterprise Services of Oregon (MESO).

The grant will support MESO’s current work in Portland and new work in Gresham, specifically in the Rockwood Rising Market Hall. KeyBank’s investment will allow MESO to offer comprehensive business development and small business technical assistance services to more than 150 clients in each of the two grant years, with a focus on the area’s growing minority and women-owned business sectors.
Transformative philanthropy: First Niagara Foundation

The First Niagara Foundation is an independent foundation that works in collaboration with KeyBank dedicated to empowering individuals and neighborhoods by investing in education, mentoring, workforce development, and neighborhood revitalization. All grants are made in partnership with KeyBank.

The Foundation’s priorities are:

- **Education**
- **Workforce Development**
- **Mentoring**
- **Community Development**

Mentoring initiative

In the Spring of 2017, First Niagara Foundation kicked off its Legacy Mentoring Initiative to carry on the former First Niagara Bank’s long legacy of supporting innovative mentoring programs.

The Legacy Mentoring initiative invited 26 organizations, all former mentoring partners with the bank, to apply for funding as part of a special program. Ultimately, First Niagara Foundation in partnership with KeyBank committed more than $2.2 million in grants over the next three years to these organizations to support their quality mentoring programs.

“Since its inception in 2007, our Mentoring Matters program has been providing essential support to outstanding organizations that promote mentoring and provide hope and opportunity for all young people in our communities.”

Elizabeth Gurney, Executive Director, First Niagara Foundation
Volunteerism is central to our culture and to our character as a company. Neighbors Make the Difference Day (NMTDD) is a meaningful opportunity to demonstrate our commitment to the community and local citizenship. As a bank, we strive to not only build financial wellness for our clients, but wellness and civic responsibility in our communities. Those values are well represented on Neighbors Day.

2017 NMTDD highlights

We are proud to say that nearly 7,000 employees participated in the 27th annual Neighbors Make the Difference Day, demonstrating our enterprise-wide commitment to serving our communities. These employees volunteered their time to help local non-profits at nearly 900 different projects across our footprint from Maine to Alaska.
Responsible operations

Operating responsibly is a priority for our company and critical to KeyBank’s success. Key manages its operations in concert with its employees, clients, communities, and environment. A significant element of operating responsibly is through our sustainability strategy, which leverages the interests of our employees and clients to drive business results. Key’s employees are encouraged to integrate sustainability goals into their daily roles and to use corporate responsibility to help make long-term business decisions.
Engaging KeyBank supply chain on sustainability

We are proud of the progress we have made to advance our sustainability efforts within our operations. Building upon this success, we are focusing more intently on how KeyBank’s supply chain impacts its efforts to advance sustainability and improve its operational footprint. In 2016, Key launched a supplier code of conduct that shares with our third party suppliers, KeyBank’s values and expectations of anyone who does business with Key. This supplier code of conduct is a demonstration that KeyBank appreciates and understands that our supply chain is an extension of our own business operations.

Building on these efforts, in 2017 our procurement team launched KeyBank’s first sustainability survey focused on the top 25 suppliers by spend. The impetus of this effort was an appreciation of a need to better understand our supply chain efforts with advancing sustainability, to communicate the importance we place on ESG, and to inform the vendor selection process. This effort helps to ensure Key’s sustainability message is included in activities focused on current and future vendors, such as the KeyBank Supplier Summit held in Amherst, N.Y and as a factor in contract negotiations. The effort was so well received that we will be significantly expanding the number of vendors we engage in 2018.

Sustainability Statistics of KeyBank’s Top 25 Suppliers

<table>
<thead>
<tr>
<th>%</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>84%</td>
<td>have a sustainability policy</td>
</tr>
<tr>
<td>68%</td>
<td>respond to the CDP</td>
</tr>
<tr>
<td>52%</td>
<td>publish a GRI Report</td>
</tr>
<tr>
<td>88%</td>
<td>have a program to reduce energy consumption</td>
</tr>
<tr>
<td>88%</td>
<td>have a program to reduce waste generation</td>
</tr>
<tr>
<td>76%</td>
<td>have a program to reduce GHG Emissions</td>
</tr>
</tbody>
</table>
Buffalo, NY, is KeyBank’s second largest concentration of business operations and employees across the enterprise. Following the integration of First Niagara, Key set an ambitious corporate real estate strategy to consolidate facilities and revamp operations to increase efficiency and improve the employee experience. This included re-stacking office space in Buffalo at several former First Niagara corporate facilities. By consolidating Key’s executive and administrative offices for the New York region, we significantly improved our operations.

“Optimizing KeyBank’s real estate footprint is a critical element to both reducing expense and improving the employee experience.”

Kane Kretzinger, Director of Corporate Real Estate Solutions, KeyBank

- $4 million in annual savings
- Eliminated 216,000 square feet of underutilized office space
- Successfully relocated more than 1,200 employees
Employees and sustainability

KeyBank employees are our greatest asset and critical piece to the success of our sustainability journey. Whether it is how and where they work, or what they are doing to advance the sustainability of the organization, Key would not succeed without its employees engaged in this effort.

Flexible workplace for a changing workforce

A modern workforce requires a flexible working environment. KeyBank has actively responded to this demand with technology and innovative working environments to accommodate the needs of our employees and our business. Providing the ability for our employees to work remotely improves efficiency, flexibility, and the resiliency of the business.

Composting at Key

What started as a request from a KeyBank employee to send used coffee grounds to a local community garden from the cafeteria at a corporate facility led to a comprehensive kitchen waste composting program. Together with the support of a local startup and a Key customer, employees composted three tons of kitchen and paper towel waste from two KeyBank corporate facilities in 2017.

3.2%
Percentage of employees who work remotely full-time

50%
Percentage of employees participated in remote access test in 2017

39
Number of Key facilities with mobile work zones
New emissions targets

Since 2009, KeyBank has reduced scope 1 and 2 emissions by nearly 40%. Building on this success, in 2017 we placed a significant effort to establish a new energy and emissions baseline reflecting the combined corporate real estate footprint following the acquisition of First Niagara in 2016. Due to the larger combined real estate footprint of KeyBank, our emissions baseline increased by approximately 5%. From this baseline, Key set new greenhouse gas emissions targets of 40% by 2030 and 80% by 2050. KeyBank utilized the frameworks outlined by the Science Based Targets Initiative (SBTI) and guidance from the World Resource Institute (WRI) and CDP. We are confident that these projected targets reflect meaningful reductions in our GHG emissions and builds upon the success the company has achieved to date.

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2030</td>
<td>40% reduction in combined scope 1 &amp; 2 emissions over its 2016 baseline</td>
</tr>
<tr>
<td>2050</td>
<td>80% reduction in combined scope 1 &amp; 2 emissions over its 2016 baseline</td>
</tr>
</tbody>
</table>

Levers for Achieving 2030 Sustainability Baseline Targets

For additional information, visit the GRI Index.
Energy and emissions

Integral to the success of KeyBank’s sustainability initiatives is leading by example, and a core component to this is focused on reducing the operational footprint of the more than 9 million square feet of office and retail space under management. Each year, the KeyBank Corporate Real Estate Solutions Team invests in energy efficiency projects that reduce energy expense and the associated emissions in order to achieve the bank’s energy and emissions targets.

This focused effort has successfully resulted in year-over-year emissions reductions. This is a significant achievement and one that does not happen by accident. In 2017, Key reduced its direct and indirect energy consumption by 4.1% over 2016, which resulted in 4.1% reduction in combined Scope 1 and 2 greenhouse gas (GHG) emissions.
Renewable energy procurement and renewable energy target

As a component of achieving KeyBank’s ambitious emissions reduction targets, we recognize the need to procure additional renewable energy above and beyond the general “greening” of the grid occurring based on the changing electrical supply and state-mandated renewable portfolio standards. Therefore, KeyBank has established a mid-term renewable energy target of 20% renewable energy by 2030 and a long-term energy target of 60% by 2050.

Virtual net-metering – New York

A first step in achieving these targets is work we have done in partnership with Monolith Solar to procure up to 17 MW solar energy, supplying power to our New York based facilities. This project is substantially increasing the amount of distributive solar produced across the state of New York. As of the end of 2017, approximately 5 MW of the system was constructed and the project is anticipated to be completed in 2018.

“The investment in solar is a demonstration of our commitment to advancing renewable energy and supporting the communities we serve.”

Andrew Watterson, Senior Vice President, Head of Sustainability, KeyBank
Waste reduction and recycling

Reducing waste from our banking operations remains a priority, and we continue to identify ways to increase diversion and recycling rates at our corporate facilities and retail branch locations. These efforts continue to achieve positive results in reducing waste to landfill volume from banking operations.

Paper reduction efforts

The Key Technology and Operations (KTO) team leads Key’s paper reduction efforts and, through a confidential shred vendor, Key recycles nearly 100% of its office paper. In addition to the utilization of technology, Key works to drive behavior change with its employees in retail, corporate offices and its customers by encouraging paper reduction strategies.

KeyBank continues to be an industry leader in advocating for customers to use mobile banking and e-statements. Mobile banking continues to see exponential growth since 2014 resulting in a 72% increase in mobile application users with 786,000 active mobile users. This resulted in 137.1 million mobile sessions in 2017 supporting our sustainability efforts through reduced transportation emissions of our clients.

More than 56% of Key’s consumer accounts utilize e-statements, and more than 5.7 million checks were deposited via mobile devices last year, eliminating the need for paper deposit slips or ATM receipts.

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>Waste Diverted (Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Equipment</td>
<td>92</td>
</tr>
<tr>
<td>Commingled</td>
<td>374</td>
</tr>
<tr>
<td>Compost</td>
<td>3</td>
</tr>
<tr>
<td>Re-Purposed Furnishings</td>
<td>88</td>
</tr>
<tr>
<td>E-Waste</td>
<td>12</td>
</tr>
<tr>
<td>Metal</td>
<td>10</td>
</tr>
<tr>
<td>Shredded Paper</td>
<td>5460</td>
</tr>
<tr>
<td><strong>Total Recycled</strong></td>
<td><strong>6039</strong></td>
</tr>
</tbody>
</table>

For additional information, visit the GRI Index.
Focused forward

2017 marked a year of transformative corporate responsibility efforts at Key. Focused forward, 2018 leads us deeper into our focus on environmental social and governance (ESG) topics and where the company can have a positive impact on fulfilling our purpose to help clients and communities thrive.

Year two of the National Community Benefits Plan will mark significant increases in the Bank’s investments in low- and moderate-income communities. Each line of business engaged with the Plan will be focused on achieving their targets and making deeper connections in the communities we serve.

In our operations, we expect to fully develop our forward-looking strategy to achieve the new energy and emissions targets, continue to make real and meaningful progress to reduce waste, and pursue improvements to the operations of KeyBank’s facilities.

This is a journey that we share with you, our clients, shareholders, employees and community stakeholders. We look forward to working with you to achieve our mutual goals and create a thriving future.
Awards and accolades

Consecutive “Outstanding” CRA ratings – Office of the Comptroller of the Currency
America’s 50 most community-minded companies – Points of Light’s “Civic 50”
Top 50 Companies for Diversity – DiversityInc
Top 11 Companies for Progress – DiversityInc
Best Companies for LGBT Equality – Human Rights Campaign
Top 10 Companies for Supplier Diversity – DiversityInc
Top 13 Companies for Diversity Councils – DiversityInc
Military Friendly® Employer – G.I. Jobs
Military Spouse Friendly Employer – G.I. Jobs
100 Most Sustainable Companies – Barron’s