

Truist 2022 TCFD Report



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Disclosure statement

This publication constitutes the 2022 report of Truist Financial Corporation (“Truist”) made in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Please note that some numbers in this report may be rounded. This report was prepared using the TCFD’s October 2021 updates, and in areas where no new guidelines were issued, we followed the 2017 TCFD guidelines.

Statements regarding Truist’s objectives, plans, goals, targets, and commitments included in this report are aspirational, may be based on estimates and assumptions under developing standards that may change in the future, and depend on a number of factors outside of the control or influence of Truist. As such, the precise path to attainment is sometimes unclear, and no guarantees or commitments are made that they will be met or successfully executed, and actual results may differ, perhaps materially. Furthermore (other than Scope 1, Scope 2, and certain Scope 3 emissions data verified by a third party), data, statistics, and metrics included in this report are nonaudited estimates, are not necessarily prepared in accordance with generally accepted accounting principles (GAAP), continue to evolve, may be based on assumptions believed to be reasonable at the time of preparation but may be subject to revision, and have not been externally assured

or verified by an independent third party. Except where noted, the information covered in this report highlights the company’s performance and initiatives in fiscal year 2022.

This report contains forward-looking statements in which we discuss future performance and goals. Forward-looking statements are all statements in this report other than historical facts such as statements regarding our environmental, social, and governance targets, objectives, commitments; programs and other business plans; initiatives, goals, or strategies relating to environmental, social, safety, and governance performance including expectations regarding future execution of our climate strategies; the underlying assumptions and estimated impacts on our business related thereto; our approach to lower emissions; our plans and expectations in relation to our future clean energy transition including targeted reductions of GHG emissions and water consumption; our operational resiliency and climate scenarios; and our expectations regarding climate-related risks and future risk mitigation. These statements are typically accompanied by the words “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “intends,” “plans,” “projects,” “may,” “will,” “should,” “would,” “could,” or other similar expressions. All such statements are intended to identify those assertions as forward-looking statements and intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are based on management’s current expectations, estimates, projections, and assumptions. Especially with respect to the matters discussed in this report, these statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

You should consider the forward-looking

statements in this report in conjunction with our annual report on Form 10-K and our quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC now and in the future. Our actual future results, including the achievement of our targets, goals, objectives, or commitments, could differ materially from our projected results as the result of changes in circumstances, estimates that turn out to be incorrect, standards of measurements that change over time, assumptions not being realized, or other risks, uncertainties, and factors. Such risks, uncertainties, and factors include the risk factors discussed in our most recent annual report on Form 10-K, subsequent quarterly reports on Form 10-Q, and other filings made with the Securities and Exchange Commission (SEC), as well as, with respect to our sustainability targets, objectives, and commitments outlined in this report or elsewhere, the challenges and assumptions that are either identified in this report or that we are unable to foresee at this time. Additionally, this report contains statements based on hypothetical scenarios and assumptions.

These statements should not necessarily be considered as being indicative of current or actual risk or forecasts of expected risk. While future events discussed in this report may be significant, any significance should not be read as necessarily rising to the level of “materiality” as defined by or construed in accordance with securities or other laws or as used in the context of financial statements and reporting required by laws and regulations.

Truist urges you to consider all of the risks, uncertainties, and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. Truist cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected

consequences and effects. The forward-looking statements in this report are made as of the date of this report, unless otherwise indicated, and we undertake no obligation to update this report to reflect subsequent events or circumstances.

This report may contain links to other internet sites or references to third parties. Such links or references are not incorporated by reference to this report and we can provide no assurance as to their accuracy. The use or inclusion of the information is also not intended to represent endorsements of any products or services.



A letter from our Chairman & CEO



Caring for the environment is one of the ways Truist lives its purpose to inspire and build better lives and communities. Since our first TCFD report in December 2021, we've continued to grow and integrate sustainability programs and climate risk principles across Truist, including a goal announced in January 2022 to achieve net zero greenhouse gas emissions by 2050.

Our goals are clear: build a sustainable and responsible company that delivers long-term value for stakeholders, and partner with clients and communities interested in pursuing sustainability opportunities. This report details actions we have taken to elevate sustainability and climate risk within our governance structure; grow product and advisory service capabilities; prioritize resilience; and forge strong external and internal networks necessary to decrease our own emissions.

Risk Management and Governance remain a central focus. Truist is incorporating climate risk within core activities, including originations and credit risk management, while expanding our risk taxonomy. The ESG, Climate Risk, and Sustainability Committee was recently expanded to include more executive leaders from our lines of business. Truist's Climate Risk Management team reports to the Board of Directors' Risk Committee quarterly, and we are reaching teammates through a revised enterprise risk training that includes climate risk.

Expanded expertise and advisory capabilities created exciting opportunities for Truist and our clients in 2022. New sustainability-focused positions in investment banking, advisory, securities, wealth, community banking, and risk data analytics strengthened collaboration and resulted in innovative solutions. In the spring, collaboration across

securities, project finance, mergers and acquisitions, coverage, and risk led to Truist providing tax equity commitments as part of the \$1.9 billion debt and tax equity financing for the Gemini solar and energy storage project in Nevada, which is believed to be the largest single-asset tax equity solar and storage financing ever completed in the United States. When finished, the facility will provide enough energy to power 260,000 homes during super peak periods. This unique project is an example of how Truist can help our clients identify and pursue new opportunities created by a lower-carbon economy.

Collaborative efforts also spurred advances in sustainable finance. In 2022, Truist assisted with issuing \$14 billion in investment-grade sustainability-themed bonds and made direct capital commitments to renewable energy exceeding \$1.5 billion.

I am optimistic for Truist, our clients, and the communities we serve as we pursue opportunities in the green economy and take action to care for the environment and natural resources. We remain committed to action and innovative thinking that builds long-term value for our stakeholders and creates a more sustainable future.

A handwritten signature in black ink, appearing to read "Bill Rogers". The signature is stylized and cursive.

Bill Rogers
Chairman & CEO

Introduction

Truist is a purpose-driven company committed to inspiring and building better lives and communities. Fulfilling that purpose requires us to be thoughtful and proactive as we partner with stakeholders to address climate-related risks and opportunities.



In this report, Truist addresses governance, risk management, strategy, and metrics and targets as they relate to climate risks and opportunities, including the disclosure recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Several organizations have established guidelines and best practices that help inform our work, including:

- Task Force on Climate-Related Financial Disclosures
- The Sustainability Accounting Standards Board (SASB)
- Global Reporting Initiative (GRI)
- CDP (formerly known as the Carbon Disclosure Project)
- International Financial Reporting Standards (IFRS)
- European Central Bank initiatives
- United Nations Sustainable Development Goals (SDGs)
- Partnership for Carbon Accounting Financials (PCAF)
- Risk Management Association's Climate Risk Consortium
- Risk analytics tools from Moody's and other organizations
- Ceres Company Network
- And other emerging methodologies

Disclosure context

The Financial Stability Board established TCFD in 2015 as an independent task force that could develop a consistent and voluntary climate-related financial disclosure framework that could help investors, lenders, and insurance underwriters assess and price risks and opportunities related to climate change. TCFD published initial disclosure recommendations in 2017 and updated some recommendations in 2021. This report has been prepared in accordance with both sets of recommendations.

TCFD's recommendations are based on four core elements:

- 1. Governance**—How we oversee and manage climate-related risks and opportunities
- 2. Strategy**—How our business, strategy, and financial planning are affected by climate-related risks and opportunities
- 3. Risk management**—How we identify, assess, and manage climate-related risks
- 4. Metrics and targets**—How we measure and manage relevant climate-related risks and opportunities

In recent years as Truist has expanded sustainability and climate-related capabilities and data gathering, we have enhanced our reporting with more disclosures aligned with SASB, GRI, and the United Nations SDGs. Truist also submitted its second public CDP response in July 2022 to disclose risks and opportunities related to climate change.¹

Truist is monitoring the status of the U.S. Securities and Exchange Commission's proposed climate disclosure rule and will update its approach as needed.

Climate and market dynamics

Evidence of climate change continues to increase as global temperatures rise and drive extreme weather events such as wildfires, hurricanes, droughts, and heat waves. As these events become more severe, the climate-related risks to our clients, communities, investors, suppliers, teammates, and other stakeholders will grow in ways large and small—from potential economic impacts to physical risks such as infrastructure damage, loss of power, and disruption of food supplies and well-being.

The Inflation Reduction Act of 2022 includes tax credits, incentives, and other features that encourage companies to invest in renewable energy, enhance energy efficiency, and innovate through research and development (R&D) on clean technology and low-carbon materials. The law may help some companies clarify their path forward on sustainability initiatives and create incentives that impact tax, finance, operations, product development, supply chain, and other facets of business.

As with our enterprise sustainability efforts, Truist is taking a multi-stakeholder approach to support the transition to a lower-carbon economy. While progress varies, we see some acceleration toward decarbonization as governments, regulators, ratings agencies, TCFD and other entities, businesses, individuals, and stakeholders take action to reduce environmental impact and make progress on goals. We expect these trends to continue due to the U.S. government's 2022 passage of the Bipartisan Infrastructure Law and the Inflation Reduction Act of 2022.

An orderly transition is possible provided there are clear expectations and supportive policies that allow individuals, companies, and investors to plan for changes over the coming years to ease the potential impact of transition risks.

We are expanding our capacity to support this transition, adding new teammates with sustainability and climate experience and creating new positions across the enterprise that allow us to help clients create long-term value by addressing climate risks and opportunities, evolving markets, and new and emerging policy and regulatory changes.

Truist is committed to meeting client needs and regulatory requirements. We will continue listening to stakeholders and seeking new ways to collaborate on sustainable opportunities.



1. <https://ir.truist.com/corporate-social-responsibility>

LightStream + the Trillion Tree Movement

With every loan funded by our LightStream virtually paperless and cost-efficient loan product, a tree is planted in partnership with American Forests. We pledged to plant 1 million trees by 2022 as part of the World Economic Forum's Trillion Tree Movement—and we achieved that goal.

800

Acres of trees planted in 2022 through the Truist LightStream-American Forests partnership

600

Number of equivalent football fields' worth of trees planted in 2022

1M+

Cumulative number of trees planted through the partnership since inception in 2013

Committed to progress

With more than 15 million clients and \$555 billion in assets as of the end of 2022, Truist serves individuals, families, business clients, nonprofits, governments and municipalities, and communities nationwide, including some of the largest and fastest-growing metropolitan areas in the country, such as in the southeastern United States.

Since publishing an inaugural TCFD report in 2021, teams across the enterprise have worked to integrate climate risk into our enterprise risk management framework. Truist continues to build capacity, refine processes, clarify our approach to scenario analysis, and advance numerous workstreams to propel our climate work forward. Truist is also doing more to advise clients on risks and opportunities, evaluate new products and services, and coordinate efforts across teams.



Our approach

1. Partner with clients who want to set sustainability and/or climate goals and provide the products, services, and advice to help achieve those goals
2. Pursue our own sustainable strategies through strategic planning, enterprise risk management, operational change, and education for teammates and other stakeholders
3. Provide the disclosures and reporting requested or required by investors, regulators, governments, ratings agencies, and other stakeholders
4. Improve our own infrastructure and systems for data gathering and reporting to create more transparency for stakeholders
5. Support our local communities as they prepare for climate change and pursue a fair and equitable transition

Across our own enterprise, Truist has:

- Hired more climate- and sustainability-focused teammates, created new positions, and established working groups to enhance our capabilities and expertise, including:
 - Naming a Head of Sustainability Investment Banking, and hiring several new teammates in that group
 - Adding new teammates within Truist's Commercial Community Bank
 - Creating a new sustainability-related position in our purchasing group to enhance our sourcing and supply chain functions
 - Creating a Climate Change Investment Advisory Committee working group within Truist Wealth
 - Creating and naming a Director of ESG Data Analytics to develop and oversee a data management framework for Finance, Risk, and ESG data

- Improved the quality of our data, methodologies, and analysis and continued to build capacity for future progress
- Built capabilities to assess our clients' emissions baselines to understand the levers and dependencies that affect emissions reductions so that we can set interim targets for high-emitting sectors
- Partnered with a global consultancy to assess and begin planning to pursue additional climate-related business opportunities
- Consolidated our real estate portfolio, reducing energy consumption and our Scope 1 and Scope 2 emissions
- Adopted automation, machine learning, and artificial intelligence for more sophisticated energy management controls
- Diverted paper, banners, and other materials from going to landfills

Disclosure summary

The following pages contain a summary of the TCFD's four high-level categories and sub-sections and an overview of Truist's approach to each.

Please read additional sections of this report for more detail and specific information on our climate work in the areas of governance, strategy, risk management, metrics and targets.

TCFD section	Truist's response	Truist's future goals
Governance		
Describe the board's oversight of climate-related risks and opportunities	The full Board of Directors primarily oversees climate-related risks through the Board Risk Committee and receives regular updates on sustainability and climate-related matters and opportunities from the Nominating and Governance Committee. The board considers climate-related issues in a wide range of business issues as well as operational, financial, disclosure, and other matters.	Maintain board level governance cadence to monitor and respond to climate risk related exposures and opportunities; analyze and act on insights resulting from scenario analysis; and make progress on climate targets. Strive to have relevant board committees engage with reports generated about climate risks and opportunities.
Describe management's role in assessing and managing climate-related risks and opportunities	Truist has an ESG, Climate Risk, and Sustainability Committee that includes senior management. This group developed our Environmental and Social Risk Framework (ESRF) for climate risks and opportunities, which is part of our Enterprise Risk Management (ERM) framework. The group also provides guidance and feedback on various sustainability and climate work to ensure alignment across the company. Additionally, three executive leadership committees—the Ethics, Business Practices, and Conduct Committee (EBPCC); the Enterprise Risk Committee; and the Disclosure Committee—have responsibilities related to sustainability and climate risk, and those committees report up through the board committees.	Maintain management level governance cadence to monitor and respond to climate risk related exposures and opportunities; analyze and act on insights resulting from scenario analysis; and make progress on climate targets. Continue to develop and enhance capabilities to better evaluate and analyze climate-related scenarios and exposures, and their potential impact to the bank, teammates, clients, communities, and other stakeholders.
Risk Management		
Describe the organization's processes for identifying and assessing climate-related risks	Truist has more formally integrated identification and evaluation of climate risks into our ERM framework, including business line and corporate level processes to identify and assess both emerging and material risks.	Develop and enhance our internal climate risk management policies and procedures to provide guidance on the identification, measurement, reporting, and governance of climate-related risks as well as opportunities. Refine our climate risk identification and assessment frameworks to address emerging risks; incorporate scenario analysis insights; and align with industry practices for consistent reporting.
Describe the organization's processes for managing climate-related risks	We monitor and manage climate-related risks in accordance with our existing risk management processes including the enterprise-wide risk appetite framework and risk reporting. We continue to enhance our scenario analysis capabilities and have begun sector-level analysis as we work toward target setting.	Develop criteria to prioritize climate risks; formalize plans to update those criteria over time; continue to develop mitigation strategies for climate risks; and if necessary, customize mitigation strategies for specific sectors.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Over the past year the Climate Risk Management Team has integrated climate risk into numerous areas of the Enterprise Risk Management Framework, including Risk Identification and Assessment, Measurement and Monitoring, Reporting, and Analytics, Risk Appetite, Stress Testing, and Governance.	Develop capabilities to assess the quality of counterparty data and data vendors used when sourcing inputs for risk exposure calculations. Expand and offer climate-related educational resources for board members and teammates.

TCFD section	Truist's response	Truist's future goals
<p>Strategy</p>		
<p>Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term</p>	<p>Across Truist's portfolios, we believe that the main drivers of climate risk are physical risks as well as regulatory, technology, stakeholder, and legal risks associated with the transition to a lower carbon economy.</p> <p>For 2022:</p> <ul style="list-style-type: none"> • About 13% of Truist's residential mortgage portfolio is exposed to some level of flooding risk, and about 19% is exposed to hurricane risk. • About 12% of Truist's commercial real estate portfolio is exposed to some level of flooding risk, and about 18% is exposed to hurricane risk. • About 7% of Truist's C&I portfolio faces high transition risk, concentrated in Oil & Gas; Electric Power Generation, Transmission, and Distribution; and Auto. Another approximately 32% of Truist's C&I portfolio faces medium-high transition risk. <p>Truist has identified three primary types of climate-related opportunities: enhancing our operational resilience; helping our clients reduce their emissions and pursue new opportunities; and expanding our business to find new opportunities related to climate transitions.</p> <p>To date, we have identified four sectors with unique opportunities: electrification of transportation, power decarbonization and renewable energy, high efficiency buildings, and alternative fuels.</p>	<p>Continue to evaluate key climate risks and opportunities through targeted sensitivity testing and analysis, as we also enhance our methodologies and approach to scenario testing and analysis.</p> <p>Identify, prioritize, and create a tailored range of appropriate temperature-aligned scenarios such as 2°C or lower and conduct more scenario analyses of our portfolios, including quantifying portfolio-level impacts and opportunities across business lines.</p> <p>Identify and measure potential near- and long-term market opportunities arising from climate transitions.</p> <p>Collaborate with clients to understand their needs and goals so we can provide the right support, advice, products, and services that meet them where they are on their own decarbonization journey.</p>
<p>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning</p>	<p>Truist has incorporated climate risks into its enterprise risk management processes and our lines of business are pursuing climate opportunities by developing new products and services to support our commercial, capital markets, wealth, and retail clients.</p>	<p>Provide more information about additional climate-related events such as hurricanes, flooding, and wildfires that are currently under evaluation by the Operational Risk Scenario Analysis Program.</p> <p>Complete a detailed risk identification exercise to disclose a more comprehensive list of risks classified by short-, medium-, and long-term timeframe.</p>
<p>Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</p>	<p>Truist's Operational Risk Scenario Analysis Program identifies, develops, runs, and makes recommendations based on various climate scenarios, including the potential impact of hurricanes and other severe weather events that may impact our own facilities and operations as well as those of our clients throughout our footprint. We incorporate those results into our stress testing exercises, and we continue to refine and expand our scenario analysis and testing methodologies and exercises as we build deeper capabilities.</p> <p>Our Capital Adequacy Process evaluates various impacts that could result from climate change.</p>	<p>Disclose risk metrics relevant to the learnings and insights from scenario analysis, identify levers and actions to reduce risk exposure, and develop targets to reduce or mitigate these risks over time.</p> <p>Develop risk mitigation strategies tailored to the climate risks identified as key to Truist's eight primary risk types.</p>

TCFD section	Truist's response	Truist's future goals
Metrics and targets		
<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>In 2022, Truist invested \$5 million in LED lighting and energy management systems along with \$500,000 in HVAC optimization and smart irrigation systems.</p> <p>We had approximately \$10 million in net losses from physical damages resulting from extreme weather to Truist facilities between 2015-2020.</p> <p>Truist assisted with issuing \$14 billion in investment grade sustainable bonds in 2022, including serving as active bookrunner on \$1.2 billion.</p> <p>Truist's 2022 direct capital commitments to renewable energy exceeded \$1.5 billion.</p> <p>Change in Scope 1 emissions between 2019 and 2022: -17%</p> <p>Change in Scope 2 (Location-based) emissions between 2019 and 2022: -26%</p>	<p>Establish science-based short- and long-term emissions reduction goals for Scope 1, 2, and 3 emissions. Identify key dependencies, including new policy, technology, and reduction levers.</p> <p>Establish additional metrics and targets to report climate opportunities and monitor progress over time.</p>
<p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks</p>	<ul style="list-style-type: none"> • Scope 1* <ul style="list-style-type: none"> – 14,535 Metric Tons Carbon Dioxide equivalent (MT CO2e) • Scope 2* <ul style="list-style-type: none"> – Location-based: 154,289 MT CO2e – Market-based: 168,687 MT CO2e • Scope 3* <ul style="list-style-type: none"> – Category 3 - Fuel- and energy-related activities: 60,196 MT CO2e – Category 6 - Business travel: 25,723 MT CO2e 	<p>Disclose Scope 3, Category 15: Financed Emissions, and improve the quality and completeness of our data over time.</p> <p>Build capacity to assess and calculate emissions from additional Scope 3 categories we determine to be most relevant.</p>
<p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>In January 2022, Truist announced a goal of net zero greenhouse gas emissions by 2050.</p> <p>In July 2021, Truist set targets to reduce Scope 1 and Scope 2 emissions by 35% each and to reduce our water consumption by 25% by 2030—all relative to a 2019 baseline measurement.</p>	<p>Monitor and review net zero target-setting methodologies while also identifying and accounting for dependencies on new policies, technology, and engagement by other stakeholders.</p>

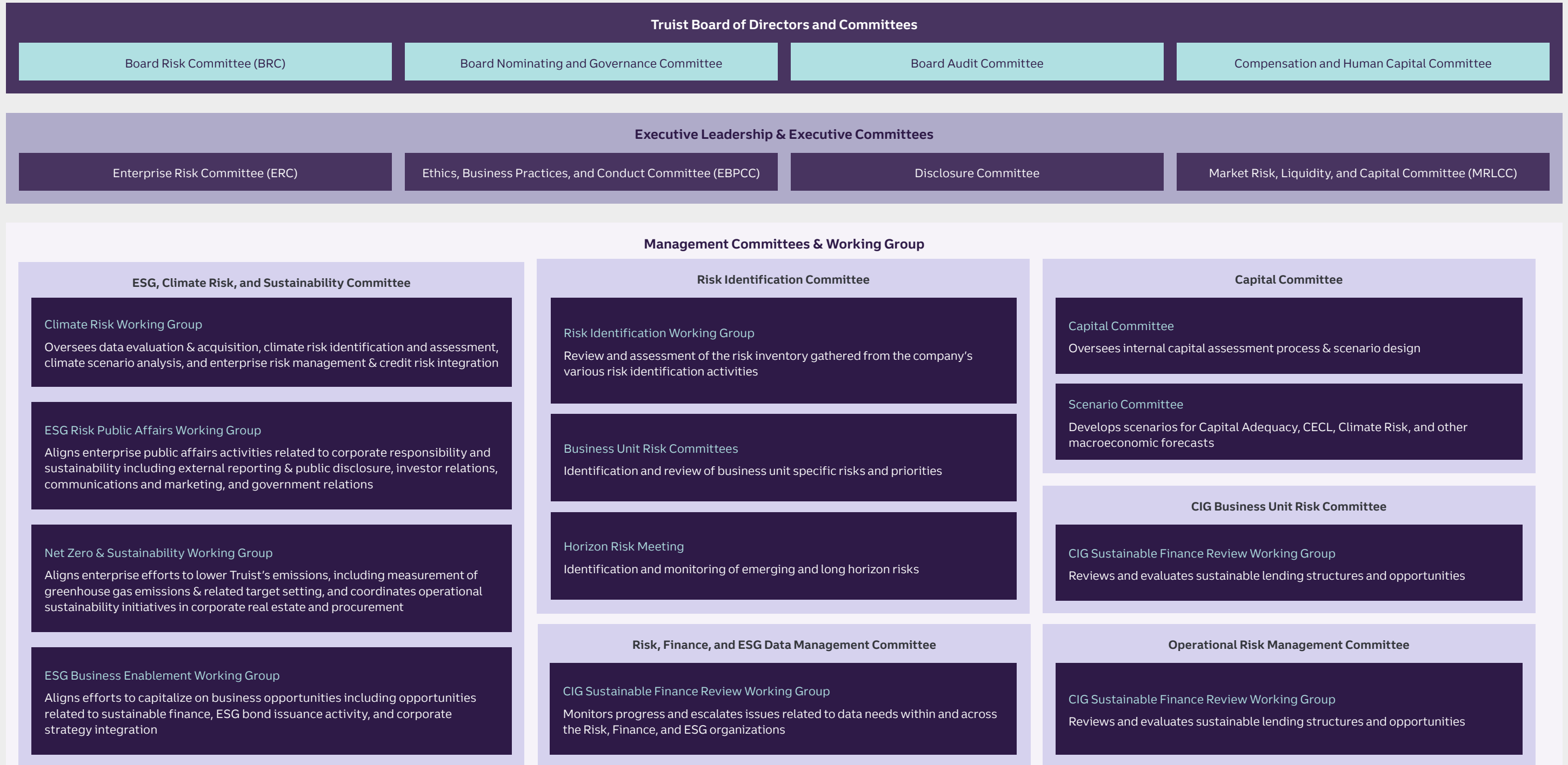
* In 2022, with the merger complete, Truist reconstructed our 2019 through 2022 greenhouse gas calculations from primary sources. This reconstructed database ensured that all properties were included once and had complete and consistent information. In addition, recalculating all years at once allowed Truist to incorporate the most recently published emissions factors and global warming potentials. Accordingly, our 2019 baseline and all other years have been restated as shown in the table on page 31.

Governance

Climate-related considerations are a part of our strategic planning, business operations, financial decisions, and action plans. In alignment with TCFD recommendations, Truist oversees climate risks and opportunities at two main levels—the Board of Directors and senior management—with extensive support from management committees, subcommittees, working groups, and functions across the enterprise that support climate and sustainability work.



ESG, climate risk, and sustainability governance at Truist





Truist integrated climate risk management into our existing risk management framework and embedded it into our enterprise risk management practices.

Board oversight

Truist’s Board of Directors has ultimate oversight for climate risk management. The board receives regular updates on sustainability and climate-related matters from its standing committees and considers climate-related issues as they relate to corporate strategy and in a wide range of business issues as well as operational, financial, risk management, disclosure, and other matters. Please see the organizational chart on the previous page for a visual representation of how the working groups are structured.

The board considers recommendations from its committees and management and makes final decisions such as the January 2022 approval to set a 2050 net zero greenhouse gas emissions goal. Similarly, the full board approved our 2030 goals for reducing Scope 1 and Scope 2 emissions by 35% each and reducing water consumption by 25%, all relative to 2019 as a baseline year. Additionally, the board approves publication of our reports including TCFD reports, Corporate Responsibility reports, ESG Disclosure summaries, and other reports.

The primary committees with distinct but related sustainability and climate-related responsibilities are:

1. **The Board Risk Committee (BRC)** oversees Enterprise Risk Management (ERM) framework, which includes sustainability and climate change risk management activities and initiatives. This committee meets monthly, or more frequently if needed.
2. **The Nominating and Governance Committee** oversees Truist’s sustainability and CSR initiatives, and that committee met six times in 2022. In addition to approving our annual corporate responsibility and sustainability reports, the committee reviews our sustainability due diligence process on an ongoing basis. The Nominating and Governance Committee reviews our disclosure practices, including on sustainability matters.
3. **The Audit Committee** is responsible for periodically reviewing and discussing with management the corporation’s controls and procedures with respect to environmental, social, and governance data disclosed by the Corporation, including emissions and other climate-related data.

Management oversight

Many executive and senior leaders across Truist are responsible for managing climate risks and opportunities, and several serve on two executive-level committees:

1. The Enterprise Risk Committee (ERC) is the enterprise risk governance body providing strategic oversight of all risk types including climate risk. The committee is responsible for developing strategies for identifying, assessing, controlling, measuring, monitoring, and reporting risks at the enterprise level. The committee meets monthly, and reports to the Board Risk Committee.
2. The Ethics, Business Practices, and Conduct Committee (EBPCC) is responsible for assessing our business practices to ensure they align with our core values. The committee reviews risk education and awareness, strategic partner practices, and sustainability issues related to business practices. The committee meets quarterly, and primarily reports to the Board Risk Committee and occasionally to the Board Nominating & Governance and the Compensation & Human Capital Committees as appropriate.

To support our activities around climate change, Truist has an ESG, Climate Risk, and Sustainability Committee and a Risk Identification Committee that both include executive and senior leaders from across the enterprise, as well as other management-level committees and working groups. More information on the first two groups includes:

1. The ESG, Climate Risk, and Sustainability Committee is comprised of a cross-functional executive and senior management team from various supporting functions, and the group is responsible for identifying and managing climate risk, overseeing public disclosures, engaging stakeholders, providing guidance and feedback to shape workstreams, and ensuring alignment and collaboration across the company. The group in 2021 developed and will continue to update Truist's Environmental and Social Risk Framework (ESRF), which is part of the ERM framework and was established to provide additional context and transparency about our approach to environmental and social risks. In 2022, the predecessor group met monthly.
2. The Risk Identification Committee provides support and governance for the Risk Identification Framework process. The group serves as a forum to review and assess our corporate risk inventory, and is also charged with identifying and monitoring potential horizon risks. The committee meets quarterly and reports to the Enterprise Risk Committee.

Senior leaders at Truist who are responsible for sustainability and climate-related work engage with the executive leadership team and board of directors on relevant matters. These leaders include:

- Chief risk officer, who reports to the CEO and is ultimately responsible for assessing and managing climate-related risks and opportunities
- Chief legal officer and head of public affairs

- Chief financial officer
- Head of corporate strategy
- Chief corporate responsibility and sustainability officer, who reports to the chief legal officer and head of public affairs and corporate secretary
- Head of climate risk management, who reports to the head of enterprise risk management
- Enterprise ethics officer, who reports to the chief risk officer
- Director of our risk, finance, and ESG data office, which was a newly created position in 2022
- Numerous additional teammates who focus on sustainability work in data risk management, financial reporting, audit, and many other functions across the enterprise

Additionally, Business Unit Risk Management (BURM) teams help integrate climate risk into risk programs. Truist has integrated climate risk curricula as part of enterprise risk training programs that most teammates are required to take, and teammates can learn more about climate and sustainability work through various channels such as cross-functional ESG Connect meetings.

We also engage with risk executives across our eight risk types (e.g., credit, market, liquidity, and operational), to support modifications to policies, programs, or processes to integrate climate risk.



Risk management

Truist's Risk Management Organization (RMO) oversees risk identification, monitoring, measurement, assessment, control, and reporting, including sustainability and climate risk. Our Enterprise Risk Management (ERM) framework covers eight primary risk types.



Culture

Climate risk management is embedded in our RMO functions and the ERM framework so that we can take a cross-functional, multi-disciplinary approach on a companywide basis. Truist approaches climate risk as a risk driver of traditional banking industry risk categories, including credit risk, market risk, liquidity risk, and operational risk.

Truist recognizes that some climate-related financial risks are likely to occur over a long period of time, while others, such as severe weather events or significant regulatory changes, may have a more immediate impact. Truist is actively building more capabilities to monitor and respond to climate change on short-, medium-, and long-term horizons.

Tone from the top

Communicate organizational values, recognize appropriate behavior, monitor/assess risk culture, and promote code of ethics

Effective challenge

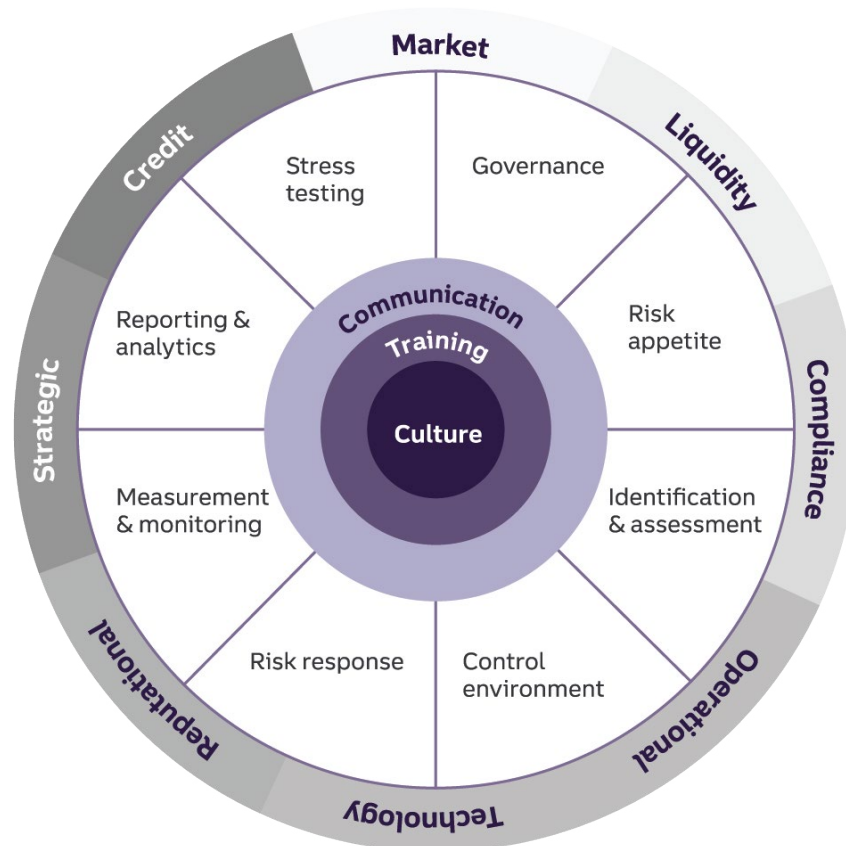
Drive open communication, transparency, and escalation across three lines of defense, executive management, and board of directors

Risk escalation and individual accountability

Understanding and managing risk in daily decision-making through timely identification and escalation

Incentive and compensation

Emphasize appropriate behavior and conduct through alignment of training, performance management, and incentive compensation



Climate risk is a strategic priority, and we are incorporating Climate Risk and an Environmental and Social Risk Framework into our Enterprise Risk Management Framework.

Truist is developing new capabilities to fully assess the bank’s exposure to both physical and transition risks as we work to integrate climate risk into risk management functions. Teammates continue to make improvements in methodology, enhanced data quality, and refined analyses.

Three lines of defense

The ERM framework is supported by three lines of defense to manage risk.





Climate risk identification

Since publishing an inaugural TCFD report in 2021, Truist has advanced initiatives and expanded capabilities by adding more teammates with expertise in climate risk and related fields.

Truist relies on a variety of forums, methodologies, and approaches to identify existing and emerging climate risks across the enterprise. Our Environmental and Social Risk Framework describes climate risks and how Truist identifies and addresses them within companywide risk management structures.

The primary mechanism is our Risk Identification Framework, which is driven by multiple sources of information from the three lines of defense previously discussed. This framework supports our Corporate Risk Inventory, which covers both current and emerging risks.

Risks are primarily identified through quarterly evaluation by the corporate functions and lines of business. Risks are added, removed, or modified as appropriate. Truist also leverages a Horizon Risk Process to proactively identify emerging risk exposures that are forming so we can study and understand the possible future impacts on the industry, Truist, and our clients.

Once identified, the Risk Identification Committee reviews and assesses the materiality of the inventory of companywide risks.

The Risk Measurement & Scenario Analysis workstream of the ESG, Climate Risk, and Sustainability Committee brings together scenario developers and risk modelers to plan and conduct analyses we want to explore. This work supports risk identification and scenario analysis for governance.

Some scenarios are conducted on a targeted basis through the Forecast Sensitivity Analysis Program, while others are done on an enterprise level using macroeconomic scenarios that incorporate climate risks evaluated by our Capital Adequacy Process.

Separately, an Operational Risk Scenario Analysis Working Group develops and analyzes operational risk scenarios, including potential impacts from climate risks and extreme weather events such as hurricanes, flooding, wildfires, and extreme cold weather.

We then develop an appropriate risk response through continued or enhanced monitoring—or mitigation—strategies.

Truist continues to build capacity to respond to climate risks in two ways:

1. **Invest in near-term strategies to reduce risk levels** in alignment with our strategy and risk appetite.
2. **Actively assess and monitor long-term risks** for which we may not currently have enough clarity on magnitude or transmission channels.

Primary risk examples

Truist's ERM framework allows us to identify, measure, monitor, and report on climate-related exposures in accordance with our eight risk categories, which are:

Primary risk type	Definition	Examples of physical risks	Examples of transition risks	Risk mitigation strategy
Strategic	Risk of financial loss, diminished stakeholder confidence, or negative impact to human capital due to ineffective strategy and/or execution	The risk of decreased profitability or increased uncertainty in earnings in markets impacted by physical climate hazards (increases in frequency or severity)	The risk of decreased profitability or increased uncertainty in earnings due to inadequate planning/incorporation/execution of regulatory or market changes or disruptive technology innovations in strategic planning	Enterprise Risk Framework facilitates identification and development of mitigation strategies to control and/or respond to physical and transition climate risk drivers
Credit	Risk of loss in earnings due to borrower, obligor, or counterparty default, or inability to pay on time and/or in full	Increase in probability of default and deterioration in asset quality due to damage from acute events such as hurricanes, floods, or wildfires in our real estate portfolios, especially in climate sensitive regions	Increase in obligor's costs due to inadequate preparation for regulatory or market changes, impacting source of income, ability to pay, or value of collateral	Integrating climate-specific risks into credit risk assessment practices to evaluate impact on default probability
Market	Risk of loss in earnings, capital, or economic value due to changes in interest rates, spreads, or prices of financial instruments	Higher shocks to the financial system and unexpected repricing events due to acute climate events or chronic long-term climate risks	Decline in cash flows because of volatility of market variables (such as interest rates, foreign exchange rates, or commodities) driven by climate changes or disruptions due to rapid transition	Banking book and trading book market risk management processes help safeguard against market shocks and unexpected repricing events
Liquidity	Risk of Truist's inability to meet its expected and unexpected cash flow needs at a reasonable cost without jeopardizing its financial condition	Increase in drawdowns on commitments and/or deposits due to unexpected climate events from corporate and/or retail clients	Decline in liquidity sources or value of liquidity investment portfolio including mortgage-backed securities (MBS) exposure due to transition risk drivers disproportionately affecting certain regions and sectors of the economy	Liquidity risk management framework monitors weakening financial markets and funding concentrations, and climate-related effects can be incorporated into ad-hoc scenario analysis as appropriate
Compliance	Risk of legal or regulatory sanctions, financial loss, or damage to reputation due to noncompliance with applicable laws, rules, and regulations; internal policies and procedures; or applicable principles of integrity and fair dealing	Deterioration of current or future financial standing due to noncompliance resulting from business and market disruptions associated with acute events	Increase in operating costs to comply with or failure to meet new evolving disclosure requirements	Internal procedures, standards of best practice, codes of conduct, and principles of integrity and fair dealing broadly mitigate compliance risk
Operational	Risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events affecting business continuity	Increase in operational losses associated with damage to physical assets such as branches and corporate offices; data center downtime; outages across supplier or third-party services due to acute weather events; and other impacts that could cause Truist to miss Service Level Agreements (SLAs) and lead to negative impacts, including defaulting on contracts or penalties.	Increase in operational costs to incorporate requirements for carbon reduction or climate resiliency, and asset impairment due to climate change mitigation policies	The Business and Technology Continuity Management Program ensures that teammates, clients, shareholders, business partners, information, and assets are adequately protected by providing continuation or rapid resumption of Truist business processes following a disruption
Technology	Risks associated with the use, ownership, operation, involvement, influence, and adoption of information technology within Truist	Increased technology expenses due to the additional processes and data platforms required to capture, store, govern, and access data related to physical climate risk events	Risk of lost business opportunities related to inaccurate greenhouse gas emissions data estimates	Enterprise data management program implements and monitors policies and standards that govern all Truist-owned data
Reputational	Risk of negative publicity regarding Truist's real or perceived business practices, products, services, transactions, or activities undertaken by Truist's representatives or partners	Negative publicity associated with actual or perceived harmful impacts from our clients, e.g., an acute event could compromise a client's waste management protocol causing harmful contamination	Negative publicity due to changing stakeholder expectations of our and our clients' transition to a lower-carbon economy	Internal practices identify and evaluate risks that conflict with the expectations of the company's stakeholders, including clients, teammates, investors, regulators, and communities



Risk monitoring and reporting

Once we have identified potential climate risks, we conduct additional analyses to measure exposure and evaluate the potential impact over various scenarios.

In order to assess these risks, Truist leverages both qualitative and quantitative approaches. As discussed further in the Strategy section, the Climate Risk Management team conducts an annual qualitative assessment of the sectors to which its C&I portfolio is exposed. Other quantitative assessments measure exposure at risk of various physical hazards across real estate secured portfolios.

For material risks, this process involves stress testing and a range of other scenario analyses to generate forecasts and quantitative metrics, and they are included in our ongoing monitoring and reporting. Historically, Truist has evaluated

climate-related factors in enterprise stress-testing scenarios, including numerous hurricane impacts and paths because of the frequent risk to the bank's retail footprint in the southeastern United States.

Truist continues to embed climate risk more holistically into our risk appetite framework. In 2022, climate risk metrics were incorporated into the risk appetite framework for monitoring reputational risk and credit risk, with additional metrics under consideration. As Truist builds more advanced capabilities to forecast and measure the potential impact of climate risk, we aim to transition to more complete quantitative climate scenario analyses to evaluate and monitor the range of potential impacts and consider the full spectrum of risk severity.

Strategy

Truist is committed to building a sustainable company that delivers long-term value for all stakeholders. In addition to climate-related risks, Truist recognizes the important role innovation and resilience play in our enterprise strategy and our response to climate-related opportunities.





Consistent with the TCFD guidance on strategy-related disclosures, this section details the risks we face, the opportunities we see, and the steps we are taking to prepare. This includes expanding our scenario analysis capabilities to help the company become more resilient.

- **Risks:** Truist faces multiple risks from climate change, including both physical and transition risks. Truist's analysis of the risks in its residential, commercial real estate, and commercial and industrial loan portfolios is described in more detail in the "Using climate risks to inform our business strategy" section. In addition, Truist's own operations are also exposed to these risks; this is addressed in "Increasing the sustainability of Truist's operations."
- **Opportunities:** Truist has identified many ways to support its individual, commercial, and corporate clients with managing their own risks and opportunities, as well as help our communities prepare for climate change and pursue a fair and equitable transition. From expanding and tailoring the products and services offered through our existing lines of business to introducing new products and services, Truist is already working to pursue sustainable finance opportunities, which are described in "Helping clients manage risk and

pursue new opportunities." In addition, reducing our operational emissions and improving our general sustainability also represent important opportunities, which are addressed in "Increasing the sustainability of Truist's operations."

- **Impact on business, strategy, and financial planning:** Truist's executive leaders have tasked leaders across key functions and lines of business to integrate climate change into the fundamental aspects of our business. These changes are described in "Using climate risks to inform our business strategy" and "Helping clients manage risk and pursue new opportunities."
- **Resilience of the organization's strategy:** Truist is using both qualitative and quantitative approaches to increase its resilience to different climate-related scenarios. The company's initial efforts are described in "Using climate risks to inform our business strategy" and "Helping clients manage risk and pursue new opportunities." The company is also using scenario analysis—both qualitative and quantitative—to inform the strategies being used to manage these risks and opportunities. These are described in "Using scenario analysis to inform strategy."

Using climate risks to inform our business strategy

Truist continues to improve our climate risk identification processes and methodologies to understand our exposure (via our loans, investment, operations, and facilities) to physical and transition risks.

In last year's report, we described our efforts to identify and assess how climate risks may impact our own business and those of our clients. We focused on three portfolios that are most vulnerable to climate change: our residential mortgage portfolio and related instruments such as home equity lines of credit; our commercial real estate portfolio (CRE); and our commercial and industrial portfolio (C&I).

Truist's approach to assessing its own physical and transition risks begins by looking at past exposures, how we seek to respond to disasters, and how we are assessing forward-looking risks for the enterprise by developing operational risk scenarios and other capabilities.

Past exposures for Truist operations: Truist experienced approximately \$10 million in net losses from physical damage to Truist facilities between 2015 and 2020, largely from acute events such as Hurricane Irma and Hurricane Florence. We have robust business continuity plans and other safeguards in place to mitigate the risks from natural disasters and catastrophic losses and to return to business as usual as quickly as possible.

Truist's operational disaster response: Truist created a Truist Executive Response Operations Center (EROOC) to serve as a command, control, and coordination center for incidents that require or may require the declaration of a corporate crisis. We also have a mass-notification system for teammates called the Significant Response Enterprise Notification System (SIREN) that uses email, text, phone, and other message formations to provide rapid communications and critical information in emergencies. Our operational risk scenario planning program also includes potential catastrophic events (e.g., a data center outage) that help us identify and plan for ways to respond to possible disasters.

Carbon-related assets: Truist's definition of carbon-related assets includes the Energy (i.e., Oil, Gas and Consumable Fuels, Equipment and Services) and Electric Power Generation, Transmission, and Distribution industry sectors. Using this definition, Truist's commercial and industrial loan portfolio includes \$9 billion in carbon-related assets and represents 5.7% of the C&I portfolio for 2022.

Current and forward-looking assessments: For residential and CRE lending portfolios, our preliminary climate-related scenario risk analysis included current exposure at risk of flood at different points in time based on a static balance sheet. This will serve as a baseline for monitoring risk trends in the future. Truist conducted this analysis at a ZIP code level, and is currently evaluating opportunities to provide more granularity and accuracy on individual properties.

Truist conducted qualitative scenario analysis on the C&I portfolio, while other portfolios included scenario analysis for both qualitative and quantitative factors.

Thresholds and time horizons for climate assessments

Truist defines "substantive financial" or "strategic impact" as a climate-related impact that the company or an individual line of business or business function identifies as important to identify, assess, and potentially manage in the short-, medium-, or long-term. These impacts could be to the company's or a business unit's profits, revenues, expenses, operations, reputation, or social impact and therefore are not quantifiable with one metric.

The types and severity of physical and transition risks that Truist faces vary by time horizon. Physical risk may occur over a longer time horizon as certain natural disasters could increase in severity, whereas the time horizon for transition risk may depend on evolving dynamics in the sector or industry and the specific climate risk drivers that are relevant to that sector. When assessing these risks, Truist categorizes short-term, medium-term, and long-term time horizons as shown below:

- Short-term—0 to 3 years
- Medium-term—3 to 10 years
- Long-term—10 to 30 years

Residential

For the residential portfolio, Truist evaluates how physical risks could impact property values at various rates of severity and granularity, and considers two main climate risk aspects: direct damage from hazards and price impact (which would likely have a larger impact due to clients' anticipation about changes in hazard).

Our scenario analyses typically find that flooding and hurricane risk represent the largest threat to our residential portfolio due to the geographic concentration of the portfolio. The potential increase in severity of hurricanes may make the magnitude of exposure greater in the future.

As of Dec. 31, 2022, approximately 13% of Truist's residential mortgage portfolio is exposed to some level of flooding risk, and about 19% is exposed to hurricane risk. To measure flood risk, we identified the locations of our Residential Mortgages and calculated an exposure-at-risk value based on a 1-in-100 year flood event. This approach includes multiple flood types, including water damage caused by hurricanes. To calculate hurricane exposure-at-risk, we reviewed the locations of our Residential Mortgages as well as occurrences of category II hurricanes or stronger over a 40-year time period. This hurricane risk value focused specifically on wind damage caused by hurricanes. Truist is working to acquire data to increase the granularity of these analyses.

Commercial real estate (CRE)

For our CRE portfolio, we assess how climate risks could impact property values—specifically, how business interruptions caused by direct physical damage to assets during severe weather events and local economic decline due to transition risks could impact property values.

As of Dec. 31, 2022, approximately 12% of Truist's commercial real estate portfolio is exposed to some level of flooding risk and about 18% is exposed to hurricane risk. We performed the CRE measurements of flood and hurricane exposures at risk using the same methodology as Truist's Residential Mortgage portfolio.

Commercial and industrial (C&I)

In our initial assessment of climate risk of our C&I lending portfolio, we analyzed industry sectors qualitatively against key climate change risk drivers, and obligations within the sectors with the highest level of transition risk were then evaluated through sensitivity testing of losses resulting from varying credit downgrades. The sensitivity analysis forecasted incremental credit losses across the highest risk loan portfolios, and the resulting impact on capital adequacy.

We assumed varying probability of default downgrades for these high risk portfolios based on their potential impact from generic transition risks, and reviewed the loss impact compared to a business-as-usual financial forecast. This analysis was not specific to any climate scenarios or carbon pricing impacts, and was based on baseline economic forecasts in order to provide an initial perspective on potential losses that could result from general credit deterioration due to climate risks. Truist also qualitatively reviewed the C&I portfolio based on consideration of acute and chronic physical risk.

Truist recently conducted an update of our heatmap of C&I portfolio risk to add higher resolution data and nuance following a deeper review of the clients operating in various sectors and the unique transition risks they face. This will allow us to better monitor risk within the C&I portfolio and prioritize our future work as we continue to deepen our analysis and monitoring efforts relative to climate risk and our net zero goal.

Please see the heatmap chart on the following page for a sector-by-sector summary of our C&I risks. Compared to our inaugural report, the updated C&I transition risk figures include more detailed sector segmentation, and we now have four categories for measuring C&I transition risk—high, medium-high, medium-low, and low. Truist did not change the three categories for physical risk, which are: high, medium, and low.

Under the new methodology, as of Dec. 31, 2022, about 7% of Truist's C&I portfolio faces high transition risk with a concentration in Energy; Electric Power Generation, Transmission, and Distribution; and portions of the Automotive sector.

For our Automotive portfolio, Truist is now providing more detail on the segments that constitute the sector by breaking out individual line items for Auto and Parts Manufacturers and Auto Retail, which is now sub-segmented into Dealer, Parts and Accessories Retail, and Other Auto Retail, which primarily consists of clients who operate gas stations. As illustrated within the table, the transition risks facing our Dealer and Auto Retail clients was downgraded to medium-high relative to manufacturers and gas stations given the ability to pivot toward selling electric vehicles (EVs) and parts for EVs as consumer demand shifts. The reduction in high risk exposures from our prior report was primarily driven by the change of the two sub-sectors as balances in the remaining high risk sectors remained stable.

Within our Utilities portfolio, the Electric Power Generation, Transmission, and Distribution segment faces high regulatory, technology, and stakeholder risks due to increasing pressure to transition away from fossil fuels and decarbonize. Utilities with owned generation will have to shift to more efficient and renewable sources, which will require significant investment in technology, transmission and distribution infrastructure,

grid modernization, and other operational and equipment capital outlays. Stakeholder and reputational risk is primarily driven by evolving consumer preferences and attitudes toward utilities that lag in their decarbonization efforts.

Similarly, the Energy sector has high regulatory and stakeholder risks. Regulatory risk is largely driven by the possibility that governments will implement laws that require reducing emissions. These regulations could lead to higher operational costs, reduce profitability, and reduce the size of the industry. Stakeholder and reputational risks apply to the energy industry, once again due to evolving consumer preferences.

Another 32% of Truist's C&I portfolio faces medium-high transition risk, concentrated in the Financials; Auto Dealer; Food, Beverage, Tobacco and Agriculture; and Building Products, Construction and Engineering sectors.

As the integration of climate risks matures across our risk programs, we expect to refine our climate risk metrics. An example is the recently implemented C&I transition risk metric that has been incorporated into the credit risk section of our Risk Appetite Framework to address concentration risk.

Transition risk across industries

Truist is committed to working with all clients to help them address their own risks and opportunities as they make transitions to a lower-carbon economy. As such, Truist monitors industries with higher exposure to climate-related risks to determine whether additional diligence is required.

Heatmap of climate risks and credit exposure of Truist's C&I portfolio¹

Transition risk rating	Physical risk rating
● High	● High
● Medium-High	● Medium
● Low-Medium	● Low
● Low	

Sector	Outstanding loan balances (\$ billions)	Outstanding loan balances (% of total C&I)	Transition risk	Physical risk
Energy (i.e., Oil, Gas and Consumable Fuels, Equipment and Services)	6.0	3.8%	● High	● Low
Utilities	5.6	3.5%		
Electric Power Generation, Transmission, and Distribution	3.0	1.9%	● High	● Medium
Natural Gas and Water Utilities	1.6	1.0%	● Medium-High	● Medium
Renewable Electric Power Generation	1.0	0.6%	● Low-Medium	● Low
Auto	13.0	8.1%		
Auto and Parts Manufacturers	0.7	0.4%	● High	● Low
Auto Retail	12.3	7.7%		
Dealer	9.0	5.6%	● Medium-High	● Low
Parts and Accessories Retail	1.6	1.0%	● Medium-High	● Low
Other Auto Retail	1.7	1.0%	● High	● Low
Transportation	4.7	2.9%		
Marine	1.0	0.6%	● Medium-High	● Medium
Road and Rail	2.8	1.8%	● Low-Medium	● Low
Aviation	0.9	0.6%	● Medium-High	● Low
Industrials	15.5	9.7%		
Industrial Products and Distribution	7.5	4.7%	● Low-Medium	● Medium
Metals, Mining, and Chemicals	2.2	1.4%	● Medium-High	● Medium
Paper, Forest Products, and Packaging	1.3	0.8%	● Medium-High	● Medium
Building Products, Construction, and Engineering	4.6	2.9%	● Medium-High	● Low
Consumer	25.6	16.1%		
Food, Beverage, and Tobacco (including Agriculture)	4.9	3.1%	● Medium-High	● Medium
Hotels, Restaurants, and Leisure	5.8	3.7%	● Low-Medium	● Medium
Other Consumer ² (i.e., Consumer Durables and Apparel)	14.9	9.4%	● Low-Medium	● Low
Real Estate (i.e., REITs, Management, Development)	14.2	9.0%	● Low-Medium	● Medium
Financials	23.5	14.7%	● Medium-High	● Low
Government	9.8	6.1%	● Low-Medium	● Medium
Telecom, Media, and IT	12.2	7.7%	● Low-Medium	● Low
Health Care	18.8	11.8%	● Low-Medium	● Low
Commercial and Professional Services	10.2	6.4%	● Low-Medium	● Low
Other	0.1	0.0%		
Grand Total	159.2	100.0%		

1. This data includes Truist's Commercial & Industrial loans, leases and tax equity outstanding balances as of 12/31/2022 with no floor on balances, unlike the 6/30/2021 data published in Truist's inaugural TCFD Report that covered only C&I loans and leases with a committed balance of \$1 million or greater. Sector segmentation was developed based on Global Industry Classification Standard (GICS) but adjusted for Truist's exposure and sector risk assessment. Namely, sectors with lower exposure and a lower risk assessment are combined. Sector aggregations and balances may differ from other reporting based on scope and data requirements unique to this analysis.

2. Includes sub-sectors within consumer space determined to have a lower risk assessment. Sub-sectors in this bucket with the largest exposure are Diversified Consumer Services, Distributors, Consumer Durables & Apparel.

Sector-specific opportunities to support transition

During the last year, Truist held workshops and panels with client executive teams, leaders across our lines of business, and third-party partners to identify sector-specific ideas and potential products and services where we can leverage our expertise and deliver high-impact solutions aimed at decarbonization and sustainability. These workshops helped Truist identify key sectors that present unique climate-related opportunities, including:

- Electrification of transportation
- Power decarbonization and renewable energy
- High efficiency building and retrofits
- Alternative fuels

Helping clients manage risk and pursue new opportunities

Based on client feedback, discovery conversations, and advisory services, Truist partners with clients and prospective clients to offer or develop the services and products they need to address risk and uncertainty—and position them for new opportunities. Although our collective decarbonization journey will take many years, Truist is committed to monitoring evolving market dynamics so we can provide the best support, products, and advice to our clients while also taking responsible steps to avoid significant energy market disruptions.

Commercial and corporate clients are evaluating their transition strategies and they have indicated they want further advice in capital allocation/deployment and greater access to capital to support this, including sustainable finance solutions. Retail

clients and consumers seek to do business with companies that prioritize lower-carbon transitions and social responsibility.

Truist is enhancing products and services across retail and wholesale banking, and equipping teammates with the tools and knowledge to better advise clients.

Building on existing products and services

Truist has expanded sustainability-related financing to support clients in their transition to lower-carbon products, services, and production processes.

Sustainable finance offerings include existing products such as project finance, equipment financing, and tax equity. In addition, Truist's commercial and investment banking team offers sustainable finance instruments that are aligned with the Green Loan Principles (GLP) and Sustainability Linked Loan Principles (SLLP). Truist also offers capital markets services, such as bond underwriting and loan syndication, and is an underwriter for institutional loans that align with GLP, SLLP, and corporate and tax-exempt sustainable bond markets.

Truist's labeled sustainable finance offerings include:

- Green loans
- Sustainability linked loans
- Social loans
- Green bonds
- Social bonds
- Sustainable bonds

Recent activity involving these products includes:

- **Capital Markets:** In 2022, Truist provided assistance with issuing \$14 billion in investment grade sustainable bonds, serving as active bookrunner on \$1.2 billion.

- **Renewable energy:** In 2022, Truist's direct capital commitments to renewable energy exceeded \$1.5 billion. This work continues to grow as demonstrated by the related feature on our tax equity commitments for the Gemini Solar + Storage project in Nevada on page 27 of this report.

For the sustainable finance offerings, these are not wholly new products but rather a structural overlay to existing products. As such, underwriting follows the standard process for credit, and we have created a Sustainable Finance Review Group in Corporate & Investment Bank (CIB) that reviews sustainability labeled finance activity for alignment with the market principles and best practices for sustainable finance.

In addition to supporting the transition for our commercial clients, Truist also provides retail consumers with financing options that can help make their homes more sustainable:

- In 2021, we acquired Service Finance, which provides point-of-sale financing solutions through dealers so homeowners can make energy efficient upgrades at their homes, such as windows and doors, HVAC, and solar installations. Loan applications are 80% paperless, which also conserves resources. In 2022, Service Finance provided \$3.6 billion in loans, of which 61% was for HVAC, window and door replacements, and solar projects.
- We also offer direct-to-consumer loans through our subsidiary, LightStream, which are virtually paperless and can be used for a variety of purposes such as electric vehicles and home efficiency projects, including solar panel installations. For every LightStream loan we make, a tree is planted through our American Forests partnership. We have exceeded our goal of planting 1 million trees on behalf of LightStream clients, and in 2022 we planted nearly 800 acres of trees.

Another way we are supporting advancements in decarbonization and sustainability is through Truist Ventures, which makes investments in fintech, digital banking, blockchain, automation and self-service tools, artificial intelligence and machine learning, and other startups whose products and services conserve energy or may lead to advances in sustainable technology or energy solutions.

Financing green bonds for Nuveen

Truist won the "Deal of the Year" award in 2022 in GlobalCapital's US Securitization Awards for its role in a \$173 million asset-backed securities transaction for Greenworks Lending by Nuveen.

The 2021 green bond transaction was a debt offering backed by commercial property assessed clean energy (CPACE), which is a financing structure that lets building owners borrow money for energy efficiency, renewable energy, and other projects as they make repayments through an assessment on their property tax bill.

The financing arrangement is tied to the property even if it's sold, which creates long-term investment incentives in building performance.

Truist served as the structuring agent and joint bookrunner for the transaction, and the bonds were marketed as green bonds based on the Green Bond Principles published by the International Capital Market Association.

Sustainable financing in 2022

Supporting low-carbon solutions

Renewable and sustainable energy infrastructure is a key component of decarbonization, and Truist supports investments in the infrastructure and technology required for high emitting sectors to make the transition. Truist has already leveraged some of these opportunities by offering renewable energy and sustainable financing solutions. In 2021, we issued our first social bond and published our first ESG Bond Framework, which outlines the guidelines for future issuances of green, social, and sustainable instruments.

\$14B

Investment grade sustainable bond issuance support

\$1.2B

Sustainable bonds on which Truist served as active bookrunner

\$1.5B

Direct capital commitments for renewable energy development

Truist helps finance the \$1.9 billion Gemini Solar + Storage project

The Gemini proposal was ambitious: Quinbrook Infrastructure Partners and Primergy Solar wanted to build a solar plus storage facility near Las Vegas that required \$1.9 billion of construction and term financing and would be the largest project of its kind to start construction in the United States.

Located on less than 6,000 acres in the Mojave Desert about 30 miles from Las Vegas, the Gemini Solar + Storage project will have more than 1.8 million solar modules when it's complete.

Gemini will have a capacity of 690 MWac/966 MWdc solar PV and 380 MW/1,416 MWh battery storage—enough to power 260,000 homes during super peak periods.¹

To keep the project on track and secure the entire financing package, Quinbrook and its portfolio company Primergy needed large tax equity commitments more than two years before funding would occur, which can pose a challenge for most developers and many financial institutions.

Andrew Rosenbaum, managing director, Power & Renewables at Truist Securities, spoke with the sponsors in the fall of 2021 and was immediately intrigued by the size and scale of the project—and the positive impact it would have on the environment.

Rosenbaum, Truist Securities Chairman and Chief Executive Officer John Gregg, other senior leaders, and members of the Project Finance Tax Equity team met with Quinbrook and Primergy and agreed to provide more than half of the tax equity commitments.

About 15 Truist teammates provided support on the complex transaction, including the senior leadership team, project finance, mergers and acquisitions, coverage, and risk.

In April 2022, financial notice to proceed for the project was announced: The Gemini project had secured \$1.9 billion of financing commitments, including construction financing, a tax equity bridge loan, a letter of credit facility and permanent term loan facilitates, as well as commitments for the full amount of the tax equity.

The transaction has \$532 million in tax equity commitments, the majority of which was provided by Truist. It's believed to be the largest single-asset tax equity solar financing ever completed in the U.S.

"Our team was nimble, flexible, and creative and we stayed focused on what mattered—being a partner and meeting our client's needs," Rosenbaum said. "We got the right people in the room so we could make a commitment early on."

With a total construction cost of approximately \$1.2 billion, Gemini will deliver renewable energy under a 25-year purchase agreement with NV Energy, a subsidiary of Berkshire Hathaway. During construction, which is scheduled to last through 2023, the project will create approximately 1,300 jobs.

"This was a great example of how Truist is bringing together the right people, services, and products to support renewable energy projects," Rosenbaum said.

1. <https://www.primerygemini.com/project-overview>

Using scenario analysis to inform strategy

Truist uses both qualitative and quantitative scenario analysis to inform our approaches to managing risks, pursuing opportunities, and improving the company's resilience.

Specifically, Truist continues to evaluate widely used climate scenarios including business as usual, orderly, and disorderly transitions from the Network for Greening the Financial System (NGFS), the IPCC's Representative Concentration Pathway (IPCC RCP), and the International Energy Agency's Net Zero by 2050 (IEA NZE) scenarios. Collectively, they help illustrate the broad impacts of both physical and transition risk on the banking sector and Truist's clients. This provides insights into the magnitude and direction of potential risks while also identifying factors relevant to our business and the businesses of our clients. This review also helped illustrate that selecting multiple transition scenarios that vary by both temperature target and the form of transition can provide a range of insights.

For example, using the NGFS scenario for "Orderly Below 2°C" assumes climate policies are introduced immediately and become more stringent to limit global warming to less than 2°C, leading carbon prices to reach about \$50 per ton in 2030 and \$200 per ton in 2050.¹

By contrast, the "Delayed Transition" scenario assumes that global emissions do not decrease until 2030 when strong policy is introduced in order to limit warming below 2°C. This requires that carbon prices increase quickly to \$100 per ton in 2033 and to more than \$600 per ton by 2050.

The wide variabilities in these prices are critical transition risk drivers in emissions intensive sectors, pushing the cost of doing business and living expenses higher.

Truist continues to develop and refine our quantitative evaluation methods to bring more advanced thinking to our analyses, monitoring processes, and mitigation efforts. We also engage with stakeholders in the financial services industry to share best practices.

In order to further advance the sensitivity analysis conducted early in 2022 on high risk industries, Truist leveraged the European Central Bank's short term disorderly scenario from the 2022 stress test to evaluate the tail risk of strong and unexpected climate policy implementation on our clients and C&I exposures. This analysis included evaluating the financial impact of carbon prices on a sample of clients in high emitting sectors, and considering the economic impacts of the scenario broadly across all sectors. While some analysts have characterized this scenario as highly unlikely in its design, it has provided a reference point about the potential risk exposure for clients in these industries to transition risks resulting from carbon prices and the impact of sudden implementation.

As Truist integrates climate risk more fully into our Enterprise Risk Management framework and builds capacity to conduct more quantitative analysis, we will move toward running longer and more sophisticated climate risk scenarios as part of our stress-testing processes and other long-term models that are independent of, yet complementary to our capital stress-testing processes. As we develop and mature these capabilities, they will increase our understanding of how climate risk might impact the probability and thresholds of our defined risk scenarios and where that impact informs changes to our enterprise resilience strategies. In early 2023, Truist named a new chief resilience officer who will build and lead a new

resilience practice for end-to-end capabilities across the business and operational processes, technology, facilities, third parties, and data.

Increasing the sustainability of Truist's operations

The last component of Truist's climate strategy is to reduce emissions from its branches, offices, ATMs, and vehicles. Our facilities and vehicles use electricity, natural gas, and liquid fuels, which lead to Scope 1 and Scope 2 emissions. In addition, we purchase goods and services and conduct business travel, generate waste, and our employees commute to and from our offices or work at home. These activities contribute to a number of Scope 3 emissions categories.

Truist is working to reduce operational emissions by reducing energy and natural resource consumption. Key examples of these efforts include:

- In 2022, Truist invested \$5 million in LED lighting and energy management systems across more than 150 locations, building upon previous investments. Truist also invested \$500,000 in HVAC optimization and smart irrigation systems in 2022
- Requiring new HVAC systems to have a Seasonal Energy Efficiency Ratio (SEER) rating of 16 or higher, assuming such equipment is available in a timely fashion
- Transitioning to greener infrastructure, such as decommissioning older data centers and migrating workloads to more efficient ones
- Planning for future solar installations and building capacity to consider renewable energy offerings
- In 2022, Truist closed 412 branches and reduced its non-branch footprint by about 2.3 million net square feet. Cumulatively, we have closed 827 branches and reduced non-branch space by about 6.9 million net square feet

1. NGFS Climate Scenarios for Central Banks and Supervisors, June 2021



Metrics and targets

In January 2022, Truist announced a goal to achieve net zero greenhouse gas emissions by 2050. Achieving that goal will require considerable efforts focused on measuring and reducing our Scope 1, 2, and 3 emissions. Truist will continue building additional capacity to set and achieve intermediate goals that will put us on a trajectory to achieve net zero.



As we deepen our work, Truist is improving its data gathering and tracking systems, increasing the consistency and accuracy of historical data, and implementing better systems and methodologies.

Operational emissions and targets

Truist set its first operational sustainability goals in 2021, using 2019 as the baseline year and 2030 as the achievement target year:

- Reduce Scope 1 and Scope 2 (location-based) emissions by 35% each
- Lower water consumption by 25%¹

Scope 1 and Scope 2 emissions

As described in more detail in the “Strategy” section of this report, we aspire to reach these goals by reducing our energy use, becoming more energy efficient, and increasing our use of renewable energy.

In 2022, Truist reconstructed our 2019 through 2022 greenhouse gas calculations from primary sources. By reconstructing our GHG emissions database, we ensured that all properties were included once and had complete and consistent information. In addition, by recalculating all years at once, Truist was able to incorporate the most recently published emissions factors and global warming potentials. Accordingly, our 2019 baseline and all other years have been restated as shown in the table on page 31.

As a result, the 2019 through 2021 data published in this report should be used in the place of previously published data.

Scope 3 (Categories 1 through 14)

The GHG Protocol has disaggregated Scope 3 emissions into 15 main categories, with Category 15 being Financed Emissions. Truist addresses Category 15 Financed Emissions in the next section.

Among categories 1 through 14, some are not relevant to the financial industry. Truist has previously and continues to disclose Categories 3 (Fuel and energy related activities) and 6 (Business travel). As part of the broader recalculation of Scope 1 and 2 emissions described above, Truist has also recalculated our Scope 3 Category 3 and 6 emissions, and the values shown in the table on page 31 should also be used in place of previously published data. Truist is in the process of building capacity to assess and calculate emissions from additional categories we determine to be most relevant.



35%

Reduction in Scope 1 emissions



35%

Reduction in Scope 2 (location-based) emissions



25%

Reduction in water consumption¹



¹ Water consumption is measured from 2019 as the baseline year, and data covers owned properties and leased properties for which Truist pays utility bills and has direct visibility into consumption.

Metrics and targets

Normalizing metrics

		2019	2020	2021	2022
Total number of employees	FTE	58,767	54,543	52,128	54,968

Summary of Truist's energy consumption for 2019-2022

Energy consumed	Units	2019	2020	2021	2022
Electricity	MWh	567,241	531,376	496,217	448,116
Natural gas	MWh	58,756	52,339	49,308	45,710
Other fuels	MWh	22,305	12,207	14,028	21,151
Total	MWH	648,302	595,921	559,553	514,977

Summary of Truist's operational GHG emissions for 2019-2022 ^{1,2,3,4,5,6}

GHG Emissions	Units	2019	2020	2021	2022
Scope 1					
Scope 1	MT CO ₂ e	17,524	13,814	13,583	14,535
Scope 2					
Location-based	MT CO ₂ e	208,650	179,644	166,144	154,289
Market-based	MT CO ₂ e	218,277	183,892	171,492	168,687
% change relative to 2019 baseline					
Scope 1	%	N/A	-21%	-22%	-17%
Scope 2 (location-based)	%	N/A	-14%	-20%	-26%
Scope 1 and 2 (location-based)	%	N/A	-14%	-21%	-25%
Scope 3					
Category 3 (Fuel and energy related activities)	MT CO ₂ e	56,768	49,582	65,893	60,196
Category 6 (Business travel)	MT CO ₂ e	43,440	11,208	10,485	25,723

1. Truist selected 2019 as its GHG reduction baseline because it was the first year for which emissions reporting data was available following the merger of BB&T and SunTrust.

2. In 2022, Truist reconstructed our 2019 through 2022 greenhouse gas calculations from primary sources. By reconstructing our GHG emissions database, we ensured that all properties were included once and had complete and consistent information. In addition, by recalculating all years at once, Truist was able to incorporate the most recently published emissions factors and global warming potentials. Accordingly, our 2019 baseline and all other years have been restated as shown in this table.

3. Values reported may differ from values reported in other 2022 disclosures due to rounding.

4. Verification statements for 2022 as well as 2019 through 2021 are available in the Appendix of this report and at <https://ir.truist.com/corporate-social-responsibility>

5. Scope 3, Category 3 (Fuel and Energy-related activities) was verified by a third party for 2022 and 2021 as shown in the appendix and in the verification statements available at <https://ir.truist.com/corporate-social-responsibility>

6. Scope 3, Category 6 (business travel) was verified by a third party for 2022 and 2021 as shown in the appendix and in the verification statements available at <https://ir.truist.com/corporate-social-responsibility>. During the recalculation of our emissions, we shifted our commercial air travel emissions calculation methodology to using UK DEFRA 2021 emissions factors that include Radiative Forcing. This led to an increase in those emissions relative to the prior methodology.



Financed emissions and targets

Truist has performed preliminary calculations to measure Scope 3 Category 15 Financed Emissions so we can better understand the exposure of our portfolio to certain climate-related risks, while also creating opportunities to help our clients accelerate their transitions and reduce their carbon footprints.

Measuring financed emissions is a relatively new practice, and methodologies and approaches are evolving. Several factors make this work especially complex, including the fact that many U.S. businesses do not calculate or report their greenhouse gas emissions. This makes it difficult for financial institutions to obtain reliable emissions data for their clients.

One complication with calculating emissions is that the relative importance of Scope 1, 2 and 3 emissions varies widely by industry. For example, some portions of Scope 3 categories may not be relevant to certain companies or sectors. Furthermore, the methodologies used for measuring emissions also differ from company to company.

In 2020, the Partnership for Carbon Accounting Financials (PCAF), an industry-led initiative that is developing methodologies to measure and disclose financed emissions, published a Global GHG Accounting and Reporting Standard for the financial industry.¹ In late 2022, PCAF published an updated reporting standard for measuring and reporting financed emissions.²

Truist is leveraging the PCAF methodology to perform preliminary financed emissions calculations. Truist continues to iterate to refine and improve data quality before publishing these calculations. Currently, this includes analysis of Truist's commercial and industrial, project finance, residential mortgage, commercial real estate, and motor vehicle loan portfolios.

This preliminary assessment helped our teams identify the data needed to undertake such calculations; the importance of data quality and completeness on the accuracy of the calculations; and the benefits of integrating the needed data and calculations into key systems so we can leverage existing internal risk management processes.

Truist is focused on developing its financed emissions calculations in several ways, including improving processes to gather accurate and complete data, incorporating internal and external data sources that will improve data quality, collaborating with business partners, and validating calculation methods. We are focused on executing these and other priority items as we work toward disclosing financed emissions, consistent with our commitment when joining PCAF.

1. <https://carbonaccountingfinancials.com/standard#the-global-ghg-accounting-and-reporting-standard-for-the-financial-industry>

2. <https://carbonaccountingfinancials.com/en/newstitem/pcaf-launches-the-2nd-version-of-the-global-ghg-accounting-and-reporting-standard-for-the-financial-industry>

Truist's next steps

As Truist focuses on executional excellence, and our purpose to inspire and build better lives and communities, we are deepening our relationships with our clients and communities so we can help them start and accelerate their efforts to reduce emissions and increase resilience.

Truist's next steps are focused on:

An inclusive partnership approach—Truist's approach to decarbonization is inclusive and client centric. We will continue to learn more about our clients' needs and goals to develop solutions that meet their needs. We acknowledge that there are key dependencies on the adoption of new policies, regulations, technology, market dynamics, and many other factors.

More detailed scenario analysis—While working to improve data quality, we continue to take a deeper look at our clients in high emitting sectors as well as those who are further along in their transition. Through this analysis, we are better able to assess the climate risks facing our clients and advise them on opportunities to invest in their transition. Evaluating both through more robust scenario analysis will further improve our ability to manage risk while meeting the needs of our current and future clients.

Deeper incorporation of climate analysis—Truist continues to incorporate climate risk analysis and learnings into regular business processes such as financial forecasts and budgets while also incorporating specific actions into strategic planning processes across lines of business.

Financed emissions calculations—Using the PCAF methodology, we continue to work on refining our preliminary calculations, including our approach to gathering data and monitoring risk. We are working toward disclosing more information on financed emissions in the coming years. Once we have determined and incorporated higher quality data sources and methods, we strive to establish baseline calculations.

Target setting—As we improve our access to data, mature our financed emissions calculations, and improve our understanding of risks and opportunities, Truist expects to disclose its financed emissions and set interim targets that will aid in achieving our net zero by 2050 goal.



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- [Truist 2022 Corporate
Responsibility Report](#)
- [Assurance Statement for 2022
Greenhouse Gas Inventory](#)
- [Assurance Statement for 2019-2021
Greenhouse Gas Inventories](#)

Appendix: Verification statement of 2022 emissions



VERIFICATION OPINION DECLARATION GREENHOUSE GAS EMISSIONS

To: The Stakeholders of Truist Financial Corporation

Apex Companies LLC, (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Truist Financial Corporation (Truist) for the period stated below. This verification opinion applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of Truist, and Truist is responsible for the preparation and fair presentation of the GHG emissions statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze, and review the information. Apex is responsible for expressing an opinion on the GHG emissions statement based on the verification. Verification activities applied in a limited level of assurance verification are less extensive in nature, timing, and extent than in a reasonable level of assurance verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- Worldwide

Types of GHGs: CO₂, N₂O, CH₄, HFCs

GHG Emissions Statement:

- Scope 1: 14,535 metric tons of CO₂ equivalent
- Scope 2 (Location-Based): 154,289 metric tons of CO₂ equivalent
- Scope 2 (Market-Based): 168,687 metric tons of CO₂ equivalent
- Scope 3:
 - Fuel and Energy-Related Activities: 60,196 metric tons of CO₂ equivalent
 - Business Travel (air travel, rental cars, business mileage): 25,723 metric tons of CO₂ equivalent

Data and information supporting the Scope 1, Scope 2, and Scope 3 GHG emissions assertion were primarily historical in nature. In some cases, data and information were estimated rather than historical in nature.

Period covered by GHG emissions verification:

- January 1, 2022 to December 31, 2022

Criteria against which verification conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard
- WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Reference Standard:

- ISO 14064-3 Second Edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements



Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of +/-5% for aggregate errors in sampled data for each of the above indicators.

GHG Verification Methodology:

Evidence-gathering procedures included but were not limited to:

- Interviews with relevant personnel of Truist;
- Review of documentary evidence produced by Truist;
- Review of Truist data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of sample of data used by Truist to determine GHG emissions.

Verification Opinion:

Based on the process and procedures conducted, there is no evidence that the GHG emissions statement shown above:

- is not materially correct and is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2), and WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

It is our opinion that Truist has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of Independence, Impartiality and competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with Truist, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.



Attestation:

Mary E. Armstrong-Friberg, Lead Verifier
Senior Project Manager
Apex Companies, LLC
Akron, Ohio

David Reilly, Technical Reviewer
Senior Project Manager
Apex Companies, LLC
Santa Ana, California

March 21, 2023

This verification opinion declaration including the opinion expressed herein, is provided to Truist Financial Corporation and is solely for the benefit of Truist Financial Corporation in accordance with the terms of our agreement. We consent to the release of this declaration by you to CDP and/or others in order to satisfy the terms of CDP disclosure requirements or other reporting requirements but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this declaration.

Appendix: Verification statement for recalculation of 2019 through 2021 emissions



VERIFICATION OPINION DECLARATION GREENHOUSE GAS EMISSIONS

To: The Stakeholders of Truist Financial Corporation

Apex Companies LLC, (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Truist Financial Corporation (Truist) for the period stated below. This verification opinion applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of Truist, and Truist is responsible for the preparation and fair presentation of the GHG emissions statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze, and review the information. Apex is responsible for expressing an opinion on the GHG emissions statement based on the verification. Verification activities applied in a limited level of assurance verification are less extensive in nature, timing, and extent than in a reasonable level of assurance verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- Worldwide

Types of GHGs: CO₂, N₂O, CH₄, HFCs

GHG Emissions Statement:

Period Covered	CY2019	CY2020	CY2021
Scope 1	17,524	13,814	13,583
Scope 2 (Location-Based)	208,650	179,644	166,144
Scope 2 (Market-Based)	218,277	183,892	171,492
Scope 3			
Category 3 (Fuel and Energy-Related Activities)	Not verified	Not verified	65,893
Category 6 (Business Travel – air and rental car)	Not verified	Not verified	10,485

All values are metric tons of CO₂ equivalent.

Data and information supporting the Scope 1, Scope 2, and Scope 3 GHG emissions assertion were primarily historical in nature. In some cases, data were estimated rather than historical in nature.

Criteria against which verification was conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard
- WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Reference Standard:

- ISO 14064-3 Second Edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements



Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of +/-5% for aggregate errors in sampled data for each of the above indicators.

GHG Verification Methodology:

Evidence-gathering procedures included but were not limited to:

- Interviews with relevant personnel of Truist;
- Review of documentary evidence produced by Truist;
- Review of Truist data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of sample of data used by Truist to determine GHG emissions.

Verification Opinion:

Based on the process and procedures conducted, there is no evidence that the GHG emissions statement shown above:

- is not materially correct and is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2), and WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

It is our opinion that Truist has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of Independence, Impartiality and competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with Truist, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.



Attestation:

Mary E. Armstrong-Friberg, Lead Verifier
Senior Project Manager
Apex Companies, LLC
Akron, Ohio

David Reilly, Technical Reviewer
Senior Project Manager
Apex Companies, LLC
Santa Ana, California

March 22, 2023

This verification opinion declaration including the opinion expressed herein, is provided to Truist Financial Corporation and is solely for the benefit of Truist Financial Corporation in accordance with the terms of our agreement. We consent to the release of this declaration by you to CDP and/or others in order to satisfy the terms of CDP disclosure requirements or other reporting requirements but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this declaration.