Truist 2023 TCFD Report

TRUIST

Published April 2024

Disclosure statement

This publication constitutes the 2023 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 2023.

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, and 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 greenhouse gas (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 (but not always) 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. 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 Securities and Exchange Commission (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 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.

Introduction

With more than 15 million clients and $535 billion in assets as of the end of 2023, 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.

As a purpose-driven company, Truist is 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 a way that creates a more sustainable future for all.

In January 2022, Truist set a goal to achieve Net Zero greenhouse gas (GHG) emissions by 2050. This goal was an extension of having set our first Scope 1 and 2 goals in 2021. Since then, we have been working to build new capacity and integrate climate considerations into our risk management, strategy, and lines of business. This report, our third TCFD report, provides an update on our progress.

For more on Truist's efforts to serve our communities and be a responsible business, see our Truist 2023 Corporate Responsibility & Sustainability Report, which includes a letter from our CEO.

Truist's approach

As a regional bank that is focused on serving our communities, we take a balanced and inclusive approach to helping our clients as we all address climate change. We meet clients where they are on their transition journeys and provide advisory services and products that help them achieve their objectives without exclusion. Through ongoing client and stakeholder engagement, we strive to meet expectations aligned with our purpose and approach.

We are committed to complying with legal and regulatory requirements.

We endeavor to collaborate, engage our stakeholders, and pursue inclusive sustainability, which we define as solutions that treat community members and stakeholders fairly and equitably through climate-related transitions.

We acknowledge that achieving our Net Zero goal will depend on factors beyond our control, such as supportive policies, technological development, finance, and the ambition of governments, companies, and individuals in the U.S. and worldwide. As Truist continues its journey, we will continue to assess these dependencies and identify and evaluate additional steps that are needed to achieve our Net Zero goal.

As we work to advance our Net Zero goal consistent with our approach, we will continue to provide updates on our progress.

Highlights for 2023

Our previous TCFD Report was published in April 2023 and included a few accomplishments that occurred early that year. We are including those accomplishments here again to provide a comprehensive view of the progress made.

In 2023, Truist:

- Launched an expanded and recently updated Corporate Responsibility & Sustainability (CR&S) committee that includes more executive leaders from our lines of business. This committee is supported by working groups focused on key topics as described in the Governance section of this report.
- Completed the recalculation of prior year energy consumption and GHG emissions using a consistent approach beginning with our 2019 baseline. This provides a foundation for enhanced reporting and to develop strategies to reduce operational GHG emissions.
- Advanced the integration of climate risk into our risk management framework and risk programs.
- Improved data quality and processes to assess risk, measure financed emissions, and analyze carbon reduction pathways and interim targets. In addition, we completed an assessment of how to expand our climate scenario capabilities.
- Helped our clients meet their sustainable financing needs by providing $1.7 billion of new direct capital commitments for renewable energy transactions and supporting over $22 billion of sustainable finance across lending and capital markets issuance, with Truist's participation totaling nearly $1.8 billion. (For more detail, see "Sustainable finance offerings" on page 21).
- Expanded our abilities to pursue sustainable finance opportunities by adding teammates in the wholesale bank.
- Matured the processes used to calculate Operational GHG Emissions by:
  - Improving the efficiency of data collection for our Scope 1 and 2 calculations.
  - Preparing to increase the controls for GHG calculations to align with evolving regulatory reporting requirements.
  - Expanding internal collaborations to collect data and develop methodologies for new Scope 3 categories. For example, in 2023, we began reporting Category 5 (Waste Generated in Operations) and Category 8 (Upstream Leased Assets) emissions.

Disclosure context

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). This year we have also added a Climate Transition Action Plan (CTAP) chapter to summarize Truist's near-term efforts to pursue our Net Zero by 2050 goal. And we have included an index to help readers quickly find the information they are seeking.

The contents of this report were informed by guidelines and best practices prepared by many organizations, including the TCFD, the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), CDP (formerly known as the Carbon Disclosure Project), International Financial Reporting Standards (IFRS) Foundation, European Central Bank, 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, and the U.S. Department of the Treasury, and other organizations.

As state and federal laws and regulations continue to evolve, Truist will assess and prepare to meet climate disclosure requirements like those passed by the state of California in 2023 and the U.S. Securities and Exchange Commission's recently finalized climate change disclosure rules. In addition, we will monitor the recommendations and adoption of new voluntary reporting standards such as IFRS S1 and S2 so we can consider changes in future reports.

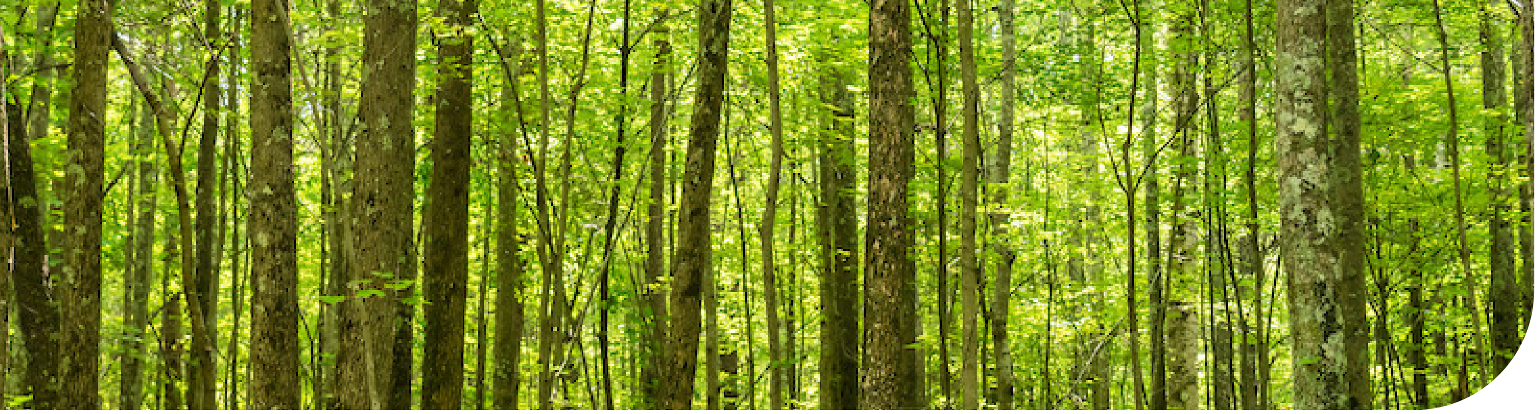
Climate and market dynamics

The risks from climate change continue to increase as global temperatures rise and drive extreme weather events such as wildfires, floods, 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.

Following the U.S. government's passage of the Bipartisan Infrastructure Law and the Inflation Reduction Act of 2022, new tax credits, incentives, and other changes have encouraged companies to invest in renewable energy, enhance energy efficiency, and innovate through research and development of clean technology and low-carbon materials. These and other complementary laws and regulations may help some companies clarify their path forward by providing clear expectations and supportive policies that could allow for a more orderly transition.

Index of TCFD recommendations and common topics

The index maps TCFD's recommendations for four high-level categories and sub-sections to the pages of this report. The index also refers the reader to pages with common topics, like Climate Transition Action Plans, sustainable finance, and interim targets.



Climate Transition Action Plan (CTAP)

Truist set a goal in January 2022 to achieve Net Zero by 2050.

Truist plans to advance this goal through seven near-term efforts:

Disclose Scope 1, 2, and 3 emissions for relevant categories—including financed emissions—based on availability of data, methodologies, and capabilities.

- Truist has previously disclosed Scope 1, Scope 2, and Scope 3 Categories 3 and 6 emissions for 2019 through 2022. This year we are adding Scope 3 Categories 5 and 8. We continue to build capacity to quantify and disclose other Scope 3 categories in the future. More information is available in the Strategy chapter and Metrics and targets chapter.

Set and share interim targets and explain the methods used to set them.

- In 2021, Truist set goals to reduce both its Scope 1 and Scope 2 (location-based) emissions by 35% by 2030 relative to a 2019 baseline. These goals were set to be challenging but attainable.[1] More information is available in the Strategy chapter and Metrics and targets chapter.

Create and implement an emissions reduction plan.

- To reduce our **operational emissions**, we will increase our focus on energy efficiency, procuring renewable and lower-emissions sources of energy, and seek opportunities to engage suppliers on emissions reductions.[2]
- To reduce our **financed emissions**, we are building capacity to improve our financed emissions and interim target-setting process. As these improve, we will increase internal integration and external client engagement. More information is available in the Strategy chapter and Metrics and targets chapter.

1. For Scope 1 and Scope 2, our Net Zero goal covers the GHGs covered by the Kyoto Protocol. Since Truist's GHGs are primarily the result of using electricity, combusting fossil fuels, and operating buildings, we calculate emissions from CO2, CH4, N2O, and refrigerants that are not being phased out by the Montreal Protocol.
2. Truist did not use carbon offsets in 2023.

Integrate climate risks and opportunities into Truist's business strategy and governance.

- To achieve the planned emissions reductions, climate risks and opportunities need to be integrated into enterprise risk management processes, business models and lines of business, resource allocation processes, and executive and board governance. These efforts are underway, and are described in more detail in the Governance, Risk management, Strategy, Metrics and targets, and Truist's next steps chapters.

Review and assess alignment of Truist's external relationships with our Net Zero by 2050 goal.

- As a regional bank that serves clients in all our communities, Truist is directly or indirectly involved in virtually every sector of the economy. To help our company understand and assess our external partners, Truist reviews its engagement with trade associations and lobbying organizations to assess how their positions affect our company, our stakeholders, and the policies that may affect our ability to achieve our Net Zero by 2050 goal. For more information, see our 2023 Climate Lobbying Report.

Promote inclusive sustainability.

- As a regional bank that serves our communities, Truist takes an inclusive approach to working with all our clients, including individuals, businesses, and other nonprofit and governmental organizations. Truist seeks inclusive sustainability, which we define as solutions that treat community members and stakeholders fairly and equitably through climate-related transitions. For more information, see the Supporting inclusive sustainability section of the Strategy chapter.

Accountability.

- As Truist builds capacity and integrates climate risks and opportunities into our governance and strategy, we will continue to disclose our progress annually. For example, in 2024, we will publish this TCFD report, a Corporate Responsibility & Sustainability Report, a Disclosure Summary, and a Climate Lobbying Report. As disclosure frameworks continue to evolve, we will consider updates as appropriate.

Governance

Climate-related considerations are part of our strategic planning, business operations, financial decisions, and action plans. 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 efforts.

Corporate governance

In 2023, Truist began an intentional transformation designed to simplify our organization. As that transformation continues in 2024, Truist is reorganizing certain executive and management committees, working groups, and related functions in the enterprise.

Truist's Board of Directors remains the company's highest governing body. As such, they oversee corporate governance, enterprise risk management, and compliance. The Board sets the company's goals and establishes tone at the top for expectations of ethical business practices. Their activities are supported by board and management committees in a structure that provides clear lines of sight for decision-making and accountability.

Truist's Board of Directors is supported by its standing board committees: Board Audit Committee; Board Compensation and Human Capital Committee; Board Executive Committee; Board Nominating and Governance Committee; Board Risk Committee; and Board Technology Committee; as well as the Truist Bank Board Trust Committee. Standing committees are supported by several management committees. For additional and specific insights on our Board, please see Truist's Form 10-K, pages 17 and 70.

The diagram and descriptions on the following page reflect a 2024 view of the governing bodies that oversee corporate responsibility and sustainability; climate risk; disclosure and reporting; and human capital matters.

Truist Board of Directors			
Board Committees			
Board Audit Committee	Board Compensation and Human Capital Committee	Board Nominating and Governance Committee	Board Risk Committee
Management Committees			
Disclosure Committee	Employee Benefits Plan Committee	Corporate Responsibility & Sustainability Committee	Enterprise Risk Committee
	Management Compensation Oversight Committee	Contributions Committee	Enterprise Credit Risk Committee

Board and Committees

Truist's board of directors oversees corporate responsibility and sustainability programs, enterprise risk including climate-related risk, and corporate responsibility and sustainability disclosures including ESG disclosures. An example of board activity related to this work includes the decision to establish a Net Zero by 2050 goal including operational emissions reduction targets. The Board also approves corporate responsibility and sustainability reports prior to publication including this report.

Board Nominating and Governance Committee

This is the primary committee for oversight of corporate responsibility and sustainability matters and ESG performance, including reporting and, along with the Board Audit Committee, reviews disclosure practices. The Board Nominating and Governance Committee is supported by two management committees with specific corporate responsibility and sustainability oversight:

- **Corporate Responsibility & Sustainability Committee**—The Corporate Responsibility & Sustainability Committee is composed of internal leaders who guide corporate responsibility related public affairs issues, disclosures and reporting, operational sustainability, and Net Zero by 2050 progress. This committee escalates material issues to the Board Nominating and Governance Committee for further consideration.
- **Contributions Committee**—The Contributions Committee makes recommendations for the Truist Charitable Fund, which is managed by the Winston-Salem Foundation.

Board Audit Committee

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. The Board Audit Committee is supported by the Disclosure Committee.

- **Disclosure Committee**—The Disclosure Committee reviews and approves disclosures to investors, including voluntary disclosures like this report and others.

Board Compensation and Human Capital Committee

Oversees Truist's human capital strategy, including receiving periodic reports from management on our development and recruitment planning for key executives. The committee also oversees initiatives such as employee well-being and engagement, and human capital metrics and reporting, unless otherwise addressed by the Board.

Board Risk Committee

Oversees climate-related risks that are presented by Truist's Climate Risk Management team quarterly.

- **Enterprise Risk Committee**—Serves as the enterprise-wide risk governance body responsible for broad strategic oversight of all risk types and brings forward key risk topics for awareness and discussion. The committee is also chartered to focus on a fully integrated view of risks across Truist and develop corporate-wide strategies for identifying, assessing, controlling, measuring, monitoring, and reporting risk at the enterprise level.
- **Enterprise Credit Risk Committee**—Provides approval of credit risk-and portfolio management-related policies and practices, monitoring of various credit portfolios, and governance and review for other credit risk-and portfolio management-related activities.

Senior leaders at Truist who are responsible for sustainability and climate-related work regularly engage with executive leadership and the 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
- Chief financial officer
- Head of corporate and investment banking
- Chief corporate responsibility and sustainability officer
- Head of climate risk management
- Chief strategic and reputational risk officer
- Head of procurement, sourcing, and corporate real estate and workplace
- Enterprise ethics officer
- Director of our risk, finance, and ESG data office
- Numerous additional teammates who focus on sustainability work in data risk management, financial reporting, audit, and many other functions across the enterprise

Risk executives across our eight risk types—Strategic, Compliance, Credit, Liquidity, Market, Operational, Technology, and Reputational—are engaged to support efforts to integrate climate risk.

Working groups and other collaborations

Governance routines are also supported by working groups and other channels that provide Truist teammates and partners ways to collaborate and drive progress on climate and sustainability topics. Examples of 2023 collaborations include:

- The working groups of the CR&S Committee began quarterly meetings to share progress, seek feedback, and identify topics to share with the Committee.
- A cross-functional group of teammates met bi-weekly to share progress and discuss key topics related to climate risk and sustainability.
- A team of internal and external partners met weekly to calculate and mature Truist's operational GHG emissions calculations, i.e., our Scope 1, Scope 2, and Scope 3 (Categories 1–14) emissions.

Risk management

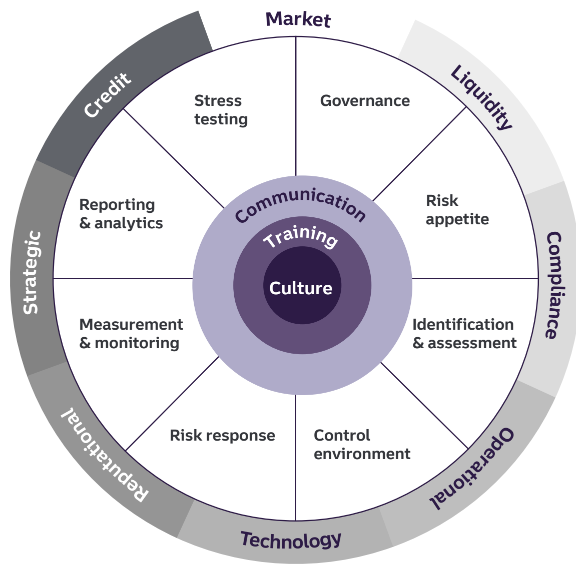
Truist's Risk Management Organization (RMO) oversees risk identification, monitoring, measurement, assessment, control, and reporting, including sustainability and climate risk. Our Enterprise Risk Management (ERM) Framework covers eight primary risk types.

Culture

Truist is committed to fostering a culture that supports risk management across the organization. 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 across all eight primary risk types.

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

- **Tone at the top**—Built on our Code of Ethics, we communicate our organizational values, recognize appropriate behavior, and monitor/assess our risk culture.
- **Effective challenge**—We encourage open communication, transparency, and escalation across the three lines of defense, and with executive leadership and the Board of Directors.
- **Risk escalation and individual accountability**—Teammates are expected to understand and manage risk in daily decision making through timely identification and escalation.
- **Incentive and compensation**—We emphasize appropriate behavior and conduct by aligning training, performance management, and incentive compensation.



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

Truist is developing capabilities to assess the bank's exposure to both physical and transition risks as we work to integrate climate risk across the three lines of defense (see next page). Teammates continue to make enhancements to methodologies, improve data quality, and refine analyses as described in the following pages.

Three lines of defense

Truist's Enterprise Risk Management Framework is supported by three lines of defense that safeguard our business from potential issues across eight primary risk types.

1st line of defense

First Line—Business units are responsible for ownership, strategy, execution, and accountability for identifying, assessing, controlling, mitigating, and communicating risks associated with business processes and decisions. Specifically, business units own the risks associated with their processes and decisions. In 2023, and prior years, Truist's business unit risk managers served as dedicated partners who aided their respective business units in completing risk management lifecycle activities. These roles were updated and renamed for 2024.

2nd line of defense

Second Line—Truist's Risk Management Organization provides independent oversight and challenge of risk management/taking activities of the first line of defense; includes governance, guidance, establishing policy, and monitoring.

3rd line of defense

Third Line—Audit provides assurance that risks are properly governed, identified, assessed, and managed by the first and second lines of defense.

Climate risk identification, assessment, and management

Truist views climate risk as a transverse risk, meaning it can be a driver of risk across all eight primary risk types. These eight primary risks are discussed on the next two pages. Truist is focused on integrating climate risk into the existing risk management framework to effectively manage climate-related financial and non-financial risks consistent with regulatory guidance and industry best practices. The Climate Risk Management team oversees and facilitates these climate risk integration efforts and helps the company perform and develop additional analyses of climate-related risks.

Effectively managing climate-related risks first requires identifying those risks. Truist relies on a variety of forums, methodologies, and approaches to identify existing and emerging risks across the enterprise. The primary mechanism is our Risk Identification Framework, which is driven by multiple sources of information to identify risks with input from the three lines of defense. This framework supports our Corporate Risk Inventory, which covers both current and emerging risks.

Once we have identified potential climate risks, we conduct additional analyses to measure exposures and evaluate the potential impact using various scenarios. In order to assess these risks, Truist leverages both qualitative and quantitative approaches. The Climate Risk Management team conducts an annual qualitative assessment of transition risk by sector in Truist's commercial and industrial (C&I) loan portfolio. A quarterly C&I transition risk dashboard was developed to show trends in funded and committed exposure based on transition risk vulnerability. Other quantitative assessments include measuring exposure risk of various physical hazards across real estate-secured portfolios.

Additional risk measurement tools include using scenario analysis to generate forecasts and quantitative metrics. Historically, Truist has evaluated climate-related factors in enterprise stress testing scenarios, including numerous hurricane paths and impacts due to the bank's geographic footprint in the southeastern United States. In addition, the 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. These efforts assess potential losses before and after insurance coverage for Truist's facilities.

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

Finally, an additional component of Truist's process for identifying, assessing, and managing climate-related risk is that Truist has incorporated climate-related risk educational materials into the enterprise risk training program. Plus, we have held development sessions to better inform teammates across all lines of defense on the company's climate risk integration efforts.

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 shown in the table spanning the next two pages.

Primary risk type	Definition	Examples of physical risks	Examples of transition risks	Risk mitigation strategy
Strategic	The risk to earnings, capital, franchise value, stakeholder confidence, and human capital arising from ineffective strategy, inability to adapt to changes in operating environment, adverse business decisions, or improper execution of strategic initiatives	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	The risk to current or anticipated earnings or capital arising from the default, unwillingness of a borrower, obligor, or counterparty such that an obligation will not be repaid on time and/or in full or the client and/or counterparty will fail to perform on an obligation to the institution	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 across the credit risk lifecycle to better understand how climate change can impact borrower creditworthiness
Market	The risk to current or anticipated earnings, capital, or economic value arising from changes in interest rates, spreads or prices of financial instruments, and the corresponding impact on the composition of the balance sheet and/or trading and fair value positions	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	The risk that Truist is unable, or that market participants perceive Truist to be unable, to meet financial obligations at a reasonable cost and in a timely manner	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

Primary risk type	Definition	Examples of physical risks	Examples of transition risks	Risk mitigation strategy
Compliance	The risk of legal or regulatory sanctions, financial loss, or damage to reputation as a result of noncompliance with (i) applicable laws, regulations, rules, and other regulatory requirements (including but not limited to the risk of consumers experiencing economic loss or other legal harm as a result of noncompliance with consumer protection laws, regulations and requirements); (ii) internal policies and procedures, standards of best practice or codes of conduct; and (iii) principles of integrity and fair dealing applicable to [Truist's] activities and functions	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 requirement	Internal procedures, standards of best practice, codes of conduct, and principles of integrity and fair dealing broadly mitigate compliance risk
Operational	The risk of loss associated with inadequate or failed internal processes, people, systems, or from external events	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	The risk associated with the disruption or failure of technology that negatively impacts business operations	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 (GHG) emissions data estimates	Enterprise data management program implements and monitors policies and standards that govern all Truist-owned data
Reputational	The risk to current or future earnings, capital, and resilience arising from negative publicity or stakeholder opinion, whether real or perceived, regarding Truist's business practices, products, services, transactions, or other activities undertaken by Truist, its representatives, or its partners that may adversely impair Truist's brand and public confidence, relationship with clients, teammates, stakeholders, or communities, and can lead to material litigation costs, regulatory penalties, and diminished franchise value	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

Strategy

Truist seeks to help all of our clients pursue their goals, manage risk, and seek new opportunities.

We want to help each of our clients no matter where they are on their journey so that we can advance Truist's purpose to inspire and build better lives and communities.

Consistent with TCFD guidance, this chapter details the risks we face, the opportunities we see, and the steps we are taking to prepare. This includes expanding our sustainable finance and scenario analysis capabilities to help the company grow and 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 mortgage and commercial and industrial (C&I) 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 (i.e., inclusive sustainability). From expanding and tailoring the products and services offered through our existing lines of business to introducing new products and services, Truist provides its clients with sustainable finance options as described in "Helping clients pursue new opportunities" and "Sustainable finance offerings." 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 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 pursue new opportunities." The company is also developing its scenario analysis capabilities 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 advance efforts to identify, assess, measure, and monitor our climate risk exposures (via loans, investments, operations, and facilities), including physical and transition risks.

In this report, we describe our efforts to identify and measure how climate risks may impact our own business and those of our clients. Truist's approach to assessing its own physical and transition risks begins by looking at past exposure, how we seek to respond to natural disasters or secular shifts in the economy, and how we are assessing forward-looking risks for the enterprise by developing operational risk scenarios and other capabilities. This report also provides a summary of analyses performed to assess exposure to climate risks in our residential mortgage and commercial and industrial (C&I) portfolios.

Past exposures for Truist operations

Truist experienced $2.6 million in net losses from physical damage to Truist facilities between 2019 and 2022 due to natural disasters and extreme weather. 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 so we can continue serving clients.

Truist's operational disaster response

We created the Truist Executive Response Operations Center (EROC) 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. The Core Enterprise Response Team (CERT) helps manage Truist's response to emergencies. Our operational risk scenario planning program also includes potential catastrophic events (e.g., a data center outage) and helps 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 C&I loan portfolio includes $7.5 billion in carbon-related assets and represents 4.8% of the C&I portfolio for year-end 2023.

Current and forward-looking risk assessments

For real estate-secured loan portfolios, Truist evaluates how physical risks could impact property values at various rates of severity and considers two main climate risk aspects: direct damage from hazards and indirect price impacts (which would likely have a larger impact due to clients' anticipation about changes in hazard).

Our real estate-secured risk assessment analysis focuses primarily on the following risk perils: flood, hurricane wind, and wildfire. In 2023, we leveraged additional third-party risk peril data to improve the granularity of the analysis and assess physical risks at the property level. This data and analysis can lead to a better understanding of risks in specific locations and concentrations of exposures to different types of physical risks. Using this risk peril data, Truist has started refreshing its exposure-at-risk measurements for the residential mortgage and commercial real estate loan portfolios.

Truist's assessment of the C&I portfolio starts with a heatmapping exercise in which specific industry sectors are reviewed against climate risk drivers. Within the C&I portfolio, Truist uses a four-level scale (low, low-medium, medium-high, and high) for assessing transition risk and a three-level scale (low, medium, and high) for assessing physical risk. This heatmap is reviewed annually across multiple areas, including the granularity of sectors considered and the specific rating designations. Please see the heatmap chart on page 20 for a sector-by-sector summary of our C&I portfolio. Truist leverages this initial heatmapping work to support and advance several key areas, including creating dashboards to observe trends in exposures, gathering data for clients in specific high-risk sectors, and conducting more detailed analyses of exposures in those sectors.

Risks

Using scenario analysis to inform strategy

Truist uses scenario analysis as a tool to evaluate the impacts of physical and transition risks over multiple time horizons and scenarios of varying severity. The outputs of scenario analysis can help to inform our approaches to managing risks, pursuing opportunities, and improving the company's resilience.

Truist has incorporated widely used climate scenarios, including those produced by the Network for Greening the Financial System (NGFS), the Intergovernmental Panel on Climate Change (IPCC), and the International Energy Agency (IEA).

In 2023, Truist engaged a third party to assess our climate scenario analysis capabilities and develop a roadmap for enhancing our efforts going forward. Truist is working to implement the recommendations from this engagement to develop processes and methodologies for performing end-to-end climate scenario analysis calculations. The engagement included considerations of both transition and physical risks.

We plan to build upon previous analyses of higher transition risk exposures in the commercial and industrial portfolio and expand the analysis into additional sectors in this portfolio. The specific calculation approach and level of granularity for this analysis will depend upon data availability as well as the specific climate risk drivers in each sector. From a physical risk standpoint, we are focusing primarily on real estate-secured loan exposures, including residential real estate and commercial real estate.

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 greater potential climate-related risks in a manner that is consistent with prudent risk management practices.

Thresholds and time horizons for climate assessments

Truist defines "substantive financial" or "strategic impact" as climate-related impacts that Truist 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 Truist's or a business unit's profits, revenues, expenses, operations, reputation, or community 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 risks are present today and are expected to increase over time. 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

Heatmap of climate risks and credit exposure of Truist's C&I portfolio[1]

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

Sector	Outstanding loan balances ($ billions)	Outstanding loan balances (% of total)	Transition risk	Physical risk
Energy (i.e., Oil, Gas and Consumable Fuels, Equipment and Services)	**5.4**	**3.5%**	High	Low
Utilities	**4.9**	**3.1%**		
Electric Power Generation, Transmission, and Distribution	2.1	1.3%	High	Medium
Natural Gas and Water Utilities	1.3	0.9%	Medium-High	Medium
Renewable Electric Power Generation	1.5	0.9%	Low	Low
Auto	**14.7**	**9.4%**		
Auto and Parts Manufacturers	0.4	0.2%	High	Low
Auto Retail	14.3	9.2%		
Dealer	11.2	7.2%	Medium-High	Low
Parts and Accessories Retail	1.6	1.0%	Medium-High	Low
Other Auto Retail	1.5	1.0%	High	Low
Transportation	**4.3**	**2.7%**		
Marine	0.7	0.5%	Medium-High	Medium
Road and Rail	2.9	1.9%	Medium-Low	Low
Aviation	0.7	0.4%	Medium-High	Low
Industrials	**14.1**	**9.0%**		
Industrial Products and Distribution	7.6	4.9%	Medium-Low	Medium
Metals, Mining, and Chemicals	1.7	1.1%	Medium-High	Medium
Paper, Forest Products, and Packaging	0.9	0.6%	Medium-High	Medium
Building Products, Construction, and Engineering	3.9	2.5%	Medium-High	Low
Consumer	**25.1**	**16.1%**		
Food, Beverage, and Tobacco (including Agriculture)	5.0	3.2%	Medium-High	Medium
Hotels, Restaurants, and Leisure	5.7	3.7%	Low	Medium
Other Consumer[2] (i.e., Consumer Durables and Apparel)	14.4	9.2%	Low	Low
Real Estate (i.e., REITs, Management, Development)	**15.2**	**9.8%**	Medium-Low	Medium
Financials	**20.1**	**12.9%**	Medium-Low	Low
Government	**9.5**	**6.1%**	Low	Medium
Telecom, Media, and IT	**13.2**	**8.5%**	Low	Low
Health Care	**18.6**	**12.0%**	Low	Low
Commercial and Professional Services	**10.4**	**6.7%**	Low	Low
Other	**0.1**	**0.1%**		
Grand Total	**155.4**	**100.0%**		

1. This data includes Truist's Commercial & Industrial loans, leases, and tax equity outstanding balances as of 12/31/2023. 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.

Opportunities

Helping clients pursue new opportunities

Truist is focused on helping our clients pursue new business opportunities to address climate change, including helping them learn how they can benefit from federal and state incentives and policies.

Truist engages and partners with existing and prospective clients to offer or develop the services and products they need to address risk and uncertainty and to position them to act on new opportunities. For example, commercial and corporate clients are evaluating their transition strategies and have indicated they want advice in capital allocation/ deployment, greater access to capital, including sustainable finance solutions, and help understanding how public policy can support or incentivize key investments.

Two examples of how Truist helps our clients and teammates learn about new opportunities include:

- The Sustainability Investment Banking team within Truist Securities co-hosted a "Decarbonizing the Built Environment" event with Georgia Institute of Technology at the Kendeda Building for Innovative Sustainable Design. This Living Building Challenge-certified building provides a showcase of leading technologies, helping to show the more than 60 attendees that key decarbonization technologies can be deployed today. Through a building tour and discussions moderated by Truist, clients and prospective clients saw technologies in action and learned that they can be deployed with traditional and new financing options.
- The Sustainability Investment Banking team published Sustainability Insights articles throughout the year to engage clients on key sustainability trends and new business opportunities, including those related to the Inflation Reduction Act. These were complemented by internal communications that helped raise awareness and supported expanded client engagement.

For more information on how Truist serves our clients, see the "Responsible Business" section of our 2023 Corporate Responsibility & Sustainability Report.

Sustainable finance offerings

Truist's sustainable finance offerings include existing products such as project finance, equipment financing, and tax equity. In addition, Truist 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 commercial and corporate sustainable finance offerings include:

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

Truist's 2023 activity involving these products included:

- Renewable energy: Truist executed 12 transactions totaling $1.7 billion of new direct capital commitments. For an example of this work, see page 23 of this report.
- Sustainability-linked loans: Truist participated in eight sustainability-linked loans totaling $10.8 billion, with Truist's share reaching over $790 million.[1]
- Capital Markets: Truist participated in 17 sustainable finance transactions across bonds, public finance, convertibles, and asset-backed securities totaling $11.8 billion, with Truist's share totaling over $990 million.[1]

1. Truist's share of sustainability-linked loan activity is based on credit commitment at the time the loan closed. Capital markets share is calculated on a wallet share basis.

Truist's sustainable finance offerings 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 within Wholesale Banking that reviews sustainability labeled finance activity for alignment with the market principles and best practices for sustainable finance.

In addition to supporting our commercial clients' transition, Truist also provides retail consumers with financing options that can help make their homes more sustainable through our Service Finance and LightStream offerings. Service Finance provides point-of-sale financing solutions through dealers so homeowners can make energy-efficient upgrades to their homes, such as windows and doors, HVAC, and solar installations. We also offer direct-to-consumer loans through our subsidiary LightStream, which can be used for a variety of purposes, including sustainability projects such as buying electric vehicles and making home efficiency upgrades like solar panel installations. See the accompanying box to learn more about LightStream's unique partnership with American Forests, which plants a tree for each funded loan.

LightStream and the Trillion Tree Movement

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

920

Acres of trees planted in 2023 through the Truist LightStream-American Forests partnership

1.3 million+

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

Supporting inclusive sustainability

As a regional bank that serves our communities, Truist takes an inclusive approach to working with all clients and across many different industries. We call this inclusive sustainability because we want to support community members and stakeholders fairly and equitably through climate-related transitions.

Due to Truist's geographic footprint, we have many clients and communities that have been affected by changes in the energy industry and other transition risks. In addition, we have many clients along the coasts, inland, and even in the mountains that face increasing physical risks from flooding, hurricanes, and wildfires. As a result, Truist seeks solutions that can help reduce risks and support those who have experienced challenges.

Truist's strategies include:

- **Job training programs**—In November 2023, the Families & Workers Fund announced a $50 million initiative called "Powering Climate and Infrastructure Careers for All." Funded in part by the Truist Foundation, the program combines grants and technical assistance to help advance at least 1 million uplifting careers in the booming clean energy and infrastructure industries.
- **Tree planting, including in urban areas**—As neighborhoods experience higher temperatures due to the urban heat island effect and climate change, planting trees can provide shade, lower temperatures, improve air quality, and improve local health outcomes. In 2023, Truist launched a new partnership with the Arbor Day Foundation to use a science-based approach to identify where to plant trees that will most benefit low- to moderate-income communities. The program focused on planning in 2023 and will begin planting trees in 2024. This new program builds on a long-standing partnership with the Arbor Day Foundation that has led to the planting of more than 40,000 trees. For more information on this new program and the long-term partnership, see Truist's 2023 Corporate Responsibility & Sustainability Report.

Renewable Energy Highlights

Tax equity for SB Energy's $2.4 billion solar portfolio

Truist supported SB Energy Global, LLC, by collaborating with the company and a network of banks to provide a combined $800 million in tax equity funding as part of a $2.4 billion financing package for a portfolio of four solar projects with a total capacity of 1.3 gigawatts.

About 75% of the energy produced by these four projects is being purchased by Google to power its growing data center presence in Texas.

Three of the projects in the portfolio are among the first utility-scale projects in the United States to attempt to qualify for the "domestic content adder" provision of the Inflation Reduction Act (IRA). This IRA provision is aimed at strengthening the domestic manufacturing base by requiring qualifying projects to domestically source a significant percentage of materials and equipment used to build the project.

SB Energy's domestic content qualification strategy included using 1.1 million solar power modules manufactured in Ohio by First Solar; trackers made by Nextracker with component providers in states including Pennsylvania, Nevada, and Tennessee; and domestically sourced structural steel from Texas and Georgia. Truist is actively working with SB Energy to complete the qualification process.

The Truist Tax Equity team worked closely with SB Energy for over a year to complete diligence and ultimately close the transaction, committing $250 million in tax equity funding to the Orion III project, which is one of the four projects in the SB Energy portfolio. The Truist Tax Equity team, which is part of Truist Securities, collaborated with teammates in Corporate Tax, Credit Risk, and other colleagues across the bank as the transaction came together.

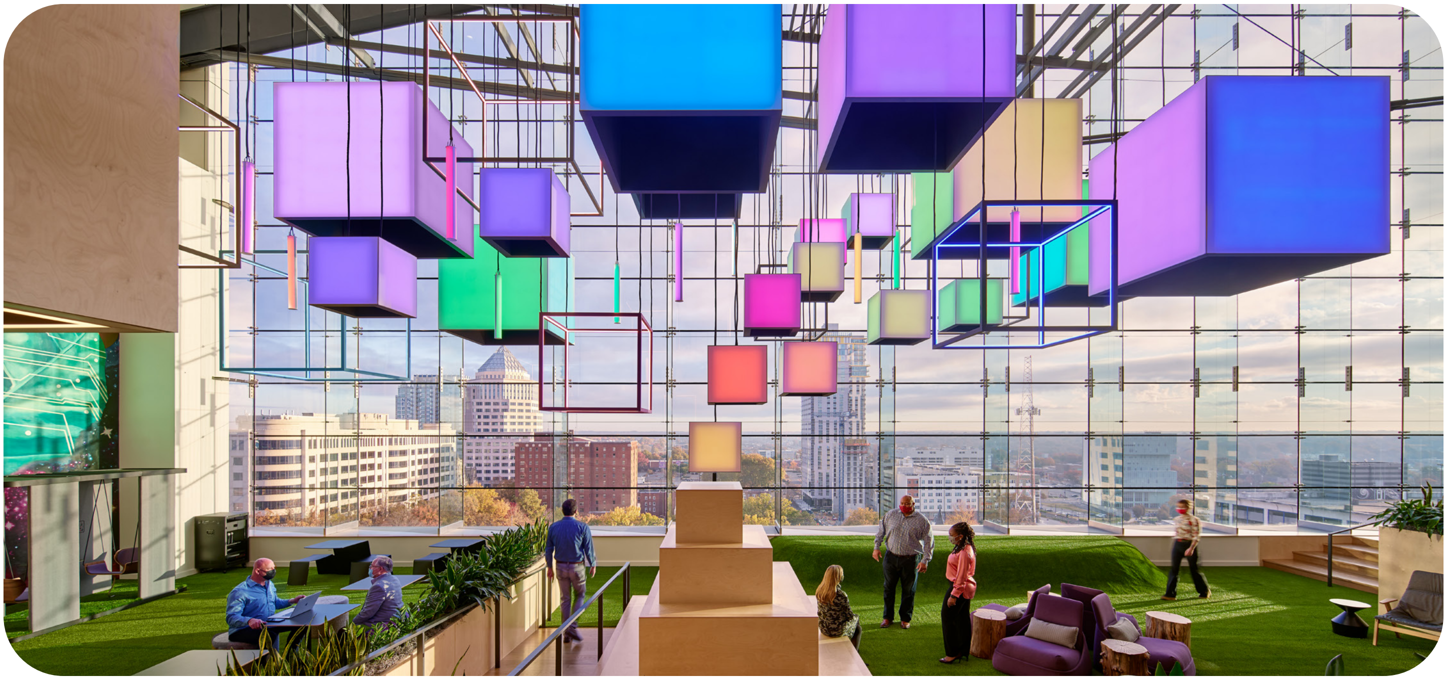
Backed by SoftBank Group Corp. and Ares Management Corporation, SB Energy is a market leader in delivering solar power, energy storage, and technology platforms at utility scale. SB Energy continues to be active in the market as it looks to capitalize on the many benefits of the IRA aimed at accelerating the transition to a more sustainable future.

Truist advised APG on purchase of 33% stake in a Southern Power solar portfolio

Truist Securities served as a financial advisor to APG, the largest pension provider in the Netherlands, on its purchase of a 33% minority stake in a portfolio of 26 operating solar facilities and two energy storage facilities acquired from Global Atlantic Financial Group.

With 2.2 gigawatts of operating solar and storage capacity across a diverse geography of six states, the energy generated from the portfolio is sold under long-term contracts with reliable revenue streams from utilities across the country. Subsidiaries of Southern Power remain the general partner and will continue to oversee operations for the facilities.

In addition to serving as mergers and acquisitions advisor, Truist Securities was also the sole green loan coordinator on acquisition financing for the transaction. The Truist Securities team worked on the deal for more than a year and collaborated with numerous peers across the bank focused on markets, derivatives, hedging, financing, and M&A.



Increasing the sustainability of Truist's operations

In 2023, Truist improved the environmental sustainability of its operations. A first step in this process is to calculate our energy consumption and GHG emissions from our 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, conduct business travel, generate waste, and our teammates commute to and from our offices or work at home leading to Scope 3 GHG emissions.

In 2023, we made a series of improvements to our GHG calculation processes. We automated the flow of utility data from our utility bill-pay provider to our GHG calculation process. In addition, we began transitioning from an annual to a monthly process for updating changes to Truist's real estate portfolio. More Truist teammates learned about and became engaged in these processes, raising awareness, bringing new perspectives to bear, and helping identify ways to create additional controls and prepare for more rigorous review and assurance of these calculations.

We expanded our Scope 3 emissions reporting, and we now report Category 5: Waste Generated in Operations. We also began reporting emissions from a new co-located data center that is operated by a third party as Scope 3, Category 8: Upstream Leased Assets.[1]

The methodology and calculations for these new categories were reviewed by a third-party verification firm, and the results are included in the verification letter at the end of this report. We are working to quantify additional Scope 3 categories in the future.

Beyond calculating our GHG emissions, in 2023 Truist reduced its own energy and natural resource consumption and began preparing for more extensive changes by:

- Investing $1.3 million in LED lighting and energy management systems across more than 45 locations, building upon previous investments. Truist also invested $875,000 in HVAC optimization and smart irrigation systems.
- Launching an accelerated HVAC replacement program, so that older units could be replaced prior to their end of life. The initiative delivered over 100 projects, transforming a legacy facility management process into a regimen guided by predictive analytics and oriented to advance sustainability goals. Truist is working closely with vendors to purchase high Seasonal Energy Efficiency Ratio (SEER) rated/low Global Warming Potential (GWP) models while establishing these as the minimum requirements/standard for future replacements. These process control points align the program with broader GHG reduction strategies such as electrification and transitioning to refrigerants with lower GWP.

1. Since 2019, we have reported leased facilities in our Scope 1 and 2 emissions. Because this new facility is outside of Truist's operational control, we are reporting it as a Scope 3, Category 8 emission.

- Transitioning to more energy-efficient infrastructure, such as decommissioning older data centers and migrating workloads to more efficient ones.
- Conducting ASHRAE Level 2 Energy Audits and retro-commissioning projects at three flagship properties in Orlando, Florida; Greensboro, North Carolina; and Charleston, West Virginia. These efforts provided insight into energy and GHG reduction strategies that can be applied throughout the portfolio and identified bespoke facility improvement and energy conservation measures. When fully implemented, these projects will potentially yield up to a 20% reduction in GHG emissions.
- Aligning our real estate portfolio with evolving client preferences and company needs by reducing our footprint by more than 900,000 square feet.
- Engaging with roughly 80 of our largest suppliers within our supply chain using a brief survey to collect public information that will help Truist more efficiently learn about our suppliers and help us understand their practices on climate change and sustainability. We also continued to monitor the tools and services that can help us engage suppliers and calculate Scope 3 Category 1 and 2 emissions.
- Launching the Operational Net Zero & Sustainability Working Group to increase awareness and engagement on GHG calculation processes, Truist's consumption of electric power, and Truist's options to use on- and off-site renewable energy to reduce our Scope 2 emissions. The working group is assessing both strategic and tactical approaches to purchase renewable power and is increasing our understanding of how existing policies and programs affect our ability to achieve our Net Zero goal within our operations. For more information about this working group, see the discussion of the Corporate Responsibility & Sustainability Committee in the Governance section of this report.

- Supporting a series of sustainability-focused programs for communities within our footprint, with teammate involvement to create greater awareness of Truist's sustainability efforts. Brief highlights of three examples follow, and more information can be found in our Truist 2023 Corporate Responsibility & Sustainability Report:
  - Truist partnered with Bee Downtown to sponsor beehives to promote biodiversity and pollinate native species of flowering plants and trees at Truist offices in Atlanta, Georgia; Orlando, Florida; Raleigh, North Carolina; and Richmond, Virginia.
  - Truist partnered with the Arbor Day Foundation on a new tree planting program, with much of the effort focused on low- to moderate-income communities that often experience the highest temperature increases from climate change and that can most benefit from the increased tree canopy.
  - Truist was the Platinum sponsor of the 2023 Sustain Charlotte Awards.

Metrics and targets

Truist continues to build additional capacity and develop deeper skill sets across the enterprise to help us set and achieve interim goals that will put us on a trajectory to achieve Net Zero greenhouse gas (GHG) emissions by 2050.

Truist has set several goals:

- In 2021, Truist set three reduction goals relative to a 2019 baseline:
  - Reduce Scope 1 emissions by 35% by 2030,
  - Reduce Scope 2 (location-based) emissions by 35% by 2030, and
  - Reduce water consumption by 25% by 2030[1,2]
- In 2022, Truist announced a goal to achieve Net Zero GHG emissions by 2050.

This section provides a brief summary of our 2023 progress and results. Additional relevant information is located in the CTAP and Strategy chapters of this report.

The third-party verification statement of our reported results is available on Truist.com.

Scope 1 and Scope 2 emissions

As described in the Strategy chapter of this report, we aspire to reach our Scope 1 and 2 goals by reducing our energy use, becoming more energy efficient, and increasing our use of renewable energy. As we implement these initial strategies, we will consider additional strategies as well.

Scope 3 Categories 1-14

The GHG Protocol disaggregates Scope 3 emissions into 15 main categories, with Category 15 being Financed Emissions. We address Category 15 Financed Emissions in the next section.

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.
2. Truist has not yet provided public reporting on its water consumption.

Among categories 1-14, some are not relevant to the financial industry. In 2023, Truist is reporting the following Scope 3 Categories:

- 3: Fuel and energy-related activities
- 5: Waste from operations (new in 2023)
- 6: Business travel
- 8: Upstream leased assets (new in 2023)

Scope 3 Category 15—Financed emissions

Since joining the Partnership for Carbon Accounting Financials (PCAF) in October 2021, Truist has taken a comprehensive approach to preparing to measure and disclose its financed emissions in line with the PCAF Standard. We have prioritized the asset classes that are relevant to Truist and for which the PCAF Standard provides methodological guidance.

Truist continues to work extensively to source internal and external data to improve the accuracy of the calculations. For example, this work includes sourcing company-specific emissions data for commercial exposures as well as building-specific data for residential exposures, where available.

Truist also made progress in improving the average data quality scores for certain asset classes in the financed emission calculations. Nevertheless, there are a significant number of exposures for which we must rely upon assumptions, such as industry average emission factors, to estimate financed emissions. Truist has shared projected financed emission values by asset class through internal reporting that is shared regularly with key stakeholders throughout the organization.

Truist is continuing to formalize these processes, working to improve data quality, and seeking to validate calculation methods. Once we can incorporate higher-quality data sources and methods that meet rigorous standards for public disclosure, we are planning to publish our first financed emissions values.

Normalizing metrics

		2019	2020	2021	2022	2023
Total number of employees	FTE	58,767	54,543	52,128	54,968	50,770

Summary of Truist's energy consumption for 2019-2023

Energy consumed	Units	2019	2020	2021	2022	2023
Electricity	MWh	567,241	531,376	496,217	448,116	416,223
Natural gas	MWh	58,756	52,339	49,308	45,710	34,309
Other fuels	MWh	22,305	12,207	14,028	21,151	22,498
Total	**MWh**	648,302	595,921	559,553	514,977	473,029

Summary of Truist's operational GHG emissions for 2019-2023 [1,2,3]

GHG emissions	Units	2019	2020	2021	2022	2023
Scope 1						
Scope 1	MT CO_2e	17,524	13,814	13,583	14,535	13,765
Scope 2						
Location-based	MT CO_2e	208,650	179,644	166,144	154,289	142,481
Market-based	MT CO_2e	218,277	183,892	171,492	168,687	139,612
% change relative to 2019 baseline						
Scope 1	%	N/A	-21%	-22%	-17%	-21%
Scope 2 (location-based)	%	N/A	-14%	-20%	-26%	-32%
Scope 1 and 2 (location-based)	%	N/A	-14%	-21%	-25%	-31%
Scope 3						
Category 3 (Fuel and energy-related activities)	MT CO_2e	56,768	49,582	65,893	60,196	55,696
Category 5 (Waste generated in operations)	MT CO_2e	NR	NR	NR	NR	6,835
Category 6 (Business travel)	MT CO_2e	43,440	11,208	10,485	25,723	34,824
Category 8 (Upstream leased assets; market-based)	MT CO_2e	NR	NR	NR	NR	1,286

NR = Not Reported

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. Values reported may differ from values reported in other disclosures due to rounding.
3. A verification statement for 2023 is available at https://ir.truist.com/corporate-social-responsibility

Truist's next steps

Truist focuses on being client-centric, performance-driven, and fulfilling our purpose to inspire and build better lives and communities.

We are deepening our relationships with our clients and communities so we can meet them where they are and help them understand and manage their risks, pursue new opportunities, and increase their resilience to climate-related changes. In addition, we will continue to mature our climate-related assessments and calculations so that we can comply with new climate disclosure laws in the State of California and the SEC's recently finalized climate disclosure rules.

As we continue this work, Truist will focus on the seven topics listed in the CTAP chapter and pursue the following initiatives to advance our Net Zero goal:

- **An inclusive partnership approach**—Truist will continue to take an inclusive and client-centric approach to decarbonization. We will continue to learn more about our clients' goals so we can advise them on opportunities and develop solutions that meet their needs. We acknowledge that helping our clients achieve their goals and pursuing our own goals will depend on factors beyond our control, including successful implementation of existing policies, the adoption of new policies and regulations, technology development, and market dynamics.
- **Scenario analysis enhancements**—Continue to develop climate scenario analysis as a tool to measure physical and transition risks within various loan portfolios. Truist will focus on implementing the roadmap that was developed in 2023.
- **Financed emissions**—Using the PCAF methodologies, we continue to work on improving our access to data, our ability to calculate these values, and our understanding of the variability of these emissions based on key inputs. Once we are able to incorporate higher quality data sources and methods that meet rigorous standards for public disclosure, we plan to publish our first financed emissions values.
- **Interim target setting for sectors**—Truist continues to improve its access to data, expand its understanding of decarbonization pathways and goal-setting methodologies for additional sectors, and increase integration with existing business processes.
- **Reduce operational emissions**—Continue efforts to improve energy efficiency, increase use of renewable energy, and reduce emissions from our operations and our supply chain.
- **Assess evolving frameworks and opportunities for expanded disclosure**—We will continue to evaluate proposed frameworks, guidance, and disclosure requirements along with the associated data and required capabilities. As we better understand the implications of CTAP guidance, the ISSB's new IFRS S1 and S2 standards, the TNFD, the Securities and Exchange Commission's recently finalized climate disclosure rules, and anticipated guidance from the California Air Resources Board, we will assess changes to future disclosures.

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Related references:

Truist 2023 Corporate Responsibility and Sustainability Report

Verification Statement for 2023 Greenhouse Gas Inventory

Truist's Disclosures under California's Voluntary Carbon Market Disclosures Business Regulation Act (AB 1305) ("VCMDA")