

ENVIRONMENT

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CLIMATE STRATEGY

Fifth Third is committed to environmental leadership in the financial services sector and to leading the transition to a sustainable future.

Our commitment is rooted in our desire to build strong communities, to serve our customers well and our Vision to be the One Bank people most value and trust. We are driven by our understanding that integrating sustainability into all aspects of our Company creates long-term sustainable value and strengthens the communities we serve.

To advance our commitment and achieve our Vision, **Fifth Third is focused on three strategies:**



**Reducing our
environmental footprint**



**Managing our
climate-related risk**



**Supporting a sustainable
transition**

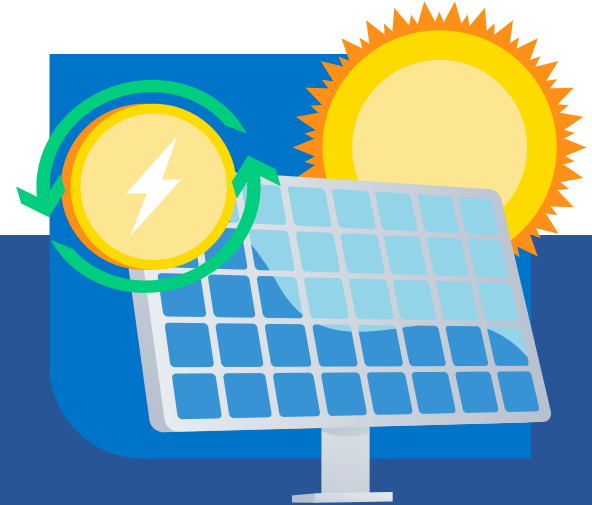
ALIGNMENT WITH INTERNATIONAL EFFORTS

Our environmental sustainability efforts align with U.N. Sustainable Development Goals 7 (Affordable and Clean Energy) and 13 (Climate Action). These efforts also help address the risks documented by the Intergovernmental Panel on Climate Change's Special Report on Global Warming of 1.5 °C (October 2018) and the Paris Agreement's central aim to "strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius." ■



Operational Sustainability

Fifth Third is continuing to work hard to reduce the environmental impact from our operations through innovations to achieve our 2022 sustainability goals while continuing to report on our progress.



Fifth Third achieved **100% renewable power** in 2019 and **carbon neutrality** for our operations* in 2020.

Building upon this success, we will continue to reduce impacts in other areas, including reductions to water, waste, and energy usage.



*For Fifth Third's Scope 1, Scope 2 and business travel under Scope 3 emissions

Energy and water consumption KPI calculations are calculated per square foot for owned or ground-leased buildings where we receive a utility bill and are relative to a 2014 baseline. GHG KPI is location-based using national average emissions factors for all locations where we receive a utility bill and is relative to a 2014 baseline. Landfill waste is calculated per FTE using all locations where we receive waste data and is relative to a 2018 baseline. Consumption information from locations acquired as part of the merger with MB Financial are not included in energy, water and waste KPI. KPI results have been independently verified. Verification statements are available in the Additional Disclosures section of ir.53.com/esg.



We are proud to have achieved carbon neutrality for our operations* in 2020.

Our success is built upon years of hard work, having **continued to reduce our own environmental footprint through efficiency investments and other projects, and by our strategy to purchase renewable power**, which began in 2014. The past year marked an exciting milestone for Fifth Third's sustainability journey, as we achieved carbon neutrality for our operations* for the first time. This was achieved by **reducing our corporate carbon footprint, purchasing 100 percent renewable power and buying carbon offsets** from a project within our Consumer Bank footprint to address our remaining emissions.

As an organization, we are now carbon neutral and removing as much carbon dioxide as we emit. This includes emissions related to all of our buildings (including data centers), corporate vehicles, and business travel. In terms of GHG accounting, this includes all Scope 1 emissions, all Scope 2 emissions, and Scope 3 business travel emissions. **Our carbon neutral achievement was the first among our banking peers, which demonstrates our continued environmental sustainability leadership.**



The Recast Energy Louisville biomass project in Louisville, Kentucky. Photo courtesy of Recast Energy Louisville. Used with permission.

The carbon offsets were purchased from the Recast Energy biomass project, a thermal energy generation conversion project in Louisville, Kentucky. The project converted a coal-fired system to a biomass system using locally available forestry and agricultural cellulosic residues. **The project achieves GHG emissions reductions by displacing over 50,000 tons of carbon emissions per year in thermal energy generated from the biomass system** that would have been generated from the old coal-fired system. The project was implemented in accordance of the Verified Carbon Standard program and was independently verified by NSF Certification LLC.



The project was selected by Fifth Third based on its location within our retail footprint, conformity to an accepted standard, independently verified by third-party and its alignment with U.N. Sustainable Development Goals 7 and 13.

Our carbon neutrality achievement was the result of our commitment to lead in environmental sustainability. Now that we achieved carbon neutrality for our operations,* Fifth Third is making a long-term commitment to maintaining carbon neutrality into the future.

*For Fifth Third's Scope 1, Scope 2 and business travel under Scope 3 emissions

SPOTLIGHT

GHG Accounting: Scope 1, 2 and 3 Reporting

There are three categories of GHG emissions:

- **Scope 1 emissions** are “direct GHG emissions” from emissions sources owned or controlled by the company, including natural gas used for heating, refrigerants, diesel, and fuels used in corporate vehicles. **In 2020, Fifth Third purchased carbon offsets for 100% of these emissions.**

- **Scope 2 emissions** are “indirect GHG emissions” from purchased or acquired electricity and similar sources. In 2020, Fifth Third purchased RECs for 100% of these emissions. There are two accounting methods for Scope 2 emissions:

- The **location-based method** uses average emissions intensity for the electric power grids on which energy consumption occurs.
- The **market-based method** allows companies to account for power they have contracted for, including through the purchase of unbundled renewable energy certificates or through contractual agreements that lead to new renewable power plants and the bundled RECs they generate.

We report our Scope 2 emissions under both methods to illustrate the impact of our renewable energy commitment. **In 2020, Fifth Third had a 46% reduction in Scope 2 location-based emissions and a 100% reduction in Scope 2 market-based emissions** (compared to our 2014 baseline). Fifth Third is also reporting our GHG reduction KPI which is one of our bold sustainability goals. This KPI uses the location-based method but is limited to properties for which Fifth Third receives a utility bill. In 2020, our GHG KPI had a 41% reduction compared to 2014.

- **Scope 3 emissions** include 15 categories of other indirect GHG emissions, such as business travel, capital goods and investments. Since 2019, Fifth Third has reported on Scope 3 emissions for business travel. **In 2020, Fifth Third purchased carbon offsets for 100% of business travel emissions.** We continue to evaluate methodologies to quantify other Scope 3 emissions, including for Category 15 (Investments), which are relevant for financial institutions.



In April 2021, Fifth Third joined the Partnership for Carbon Accounting Financials (PCAF), an industry-led partnership of over 110 financial institutions worldwide that work together to develop and implement a consistent and transparent standard for financial institutions to assess and disclose client GHG emissions associated with loans and investments.

“We understand that our impact to the environment isn’t just what we do with Fifth Third’s operations, but also includes the impact of our customers’ operations that we finance,” said Jamie Leonard, executive vice president and chief financial officer.



“PCAF is pleased that Fifth Third Bank has joined over 110 financial institutions globally that are committed to measuring and disclosing the emissions of their portfolios to support meeting the goals of the Paris Climate Agreement. Fifth Third’s drive to keep measuring and reducing its emissions across all scopes will make it a valuable collaborator in PCAF.”

—NICOLE LABUTONG, PCAF NORTH AMERICA LEAD

In 2017, Fifth Third set five bold sustainability goals to help prioritize our environmental sustainability efforts. This included targeted goals to reduce our energy use and location based GHG emissions by 25%, to reduce our water consumption and waste sent to a landfill by 20%, and to purchase 100% renewable power. Three of these goals (water, GHG emissions, and renewable power) have now been achieved, and we are close to achieving our remaining goals (energy and landfill waste reduction).

ENERGY EFFICIENCY

We have taken significant steps to reduce our energy use, and achieve our 25% reduction goal. We invested in **LED lighting, HVAC upgrades and building controls.** We made improvements in space utilization and in the sustainability of our new construction, renovation and facility-related operations and maintenance practices.

Last year, we completed our phase one rollout of advanced building management controls to more

than 230 locations across our portfolio. These new system controls help monitor and manage energy usage from our largest source (building heating and cooling). We will continue to assess this technology across our portfolio to better manage energy needs for our buildings.

50 Fifth Third locations are Energy Star certified



To gain more granular insight on the energy usage across our footprint, **we began benchmarking locations through the U.S. Environmental Protection Agency’s Portfolio Manager tool.** In doing so, we identified a number of locations that qualified for ENERGY STAR® certification and had our first 50 locations Energy Star certified by a third party.



SPOTLIGHT

Bank Installs EV Charging Stations

Fifth Third recently installed electric vehicle charging stations at our headquarters in Cincinnati. We recognize the environmental benefits of electric transportation and the growth of the EV market.

Upon the opening of the EV stations, employees can charge their vehicles while they work at no incremental cost. Through the purchase of 100% renewable electricity for our operations, employees can now charge their vehicles in an environmentally responsible manner.

Moving forward, the Bank will continue to assess EV charging as an amenity for our employees and as an opportunity to expand the reach of our sustainability leadership. ■

“EPA applauds Fifth Third Bank for its leadership position in the green power marketplace. Fifth Third is an excellent example for other organizations in reducing greenhouse gas emissions through green power investment and use.”

-JAMES CRITCHFIELD, PROGRAM MANAGER, EPA GREEN POWER PARTNERSHIP



100% RENEWABLE POWER

This past year marked the first calendar year for Fifth Third purchasing 100% renewable power.

This milestone began with the opening of the 80 MWac/120 MWdc Aulander Holloman solar facility in 2019, which was facilitated through a virtual power purchase agreement (PPA) signed by the Bank. With this project, Fifth Third became the first bank and first Fortune 500 company to purchase 100% renewable power through a single, solar project. **In 2020, the solar generation from the project was more than 180,000 MWh**, enough to power over 21,000 homes or equivalent to reducing emissions from over 27,000 passenger vehicles.*

The signing of the PPA in March 2018 **facilitated the construction of this solar field by guaranteeing that Fifth Third would purchase all of the electricity generated at a stated price**, thereby enabling SunEnergy1 to secure funding and begin construction. In return for guaranteeing to purchase the energy produced, **Fifth Third receives all the environmental attributes**, or renewable energy certificates, generated from the project. In 2019, Fifth Third retired all of the RECs from the Aulander Holloman project in addition to RECs from other sources to achieve 97.4% of renewable energy for the year. Although we intended to retire the RECs received from this project towards our 100% renewable goal, in 2020 we completed a REC swap to offset some of the costs of the PPA due to the drop in energy prices. The purchased RECs are sourced from



other renewable energy projects in the U.S. and have been Green-E certified. Today, 100% of Fifth Third’s power is from renewable sources.

“We welcome Fifth Third’s leadership in environmental sustainability by purchasing 100% of renewable energy and adding clean power to America’s energy grid. They are demonstrating that renewables make business sense—more companies must do the same so we can accelerate a cleaner future for all of us.”

-AMY DAVIDSEN, EXECUTIVE DIRECTOR - NORTH AMERICA, RE100



* Source: U.S. Environmental Protection Agency, Greenhouse Gas Equivalencies Calculate (last updated March 2020)

MANAGING WASTE

Fifth Third committed to reducing the amount of waste it sends to landfills by 20% by 2022. In just two years since the Bank began recording its annual waste totals in 2018, **we have reduced landfill waste by 14%.**

The Bank's waste activities typically involve standard office waste, with some waste being produced in building construction/renovation, disposal of electronic equipment, and from retail tenants where waste service is often combined. As a financial institution, Fifth Third uses paper through general office activities and in documenting and processing customer lending/finance activities. **Our focus on secure destruction and recycling of this paper remains a priority and included the recycling of more than 8 million pounds of paper in 2020.** Fifth Third has also continued to support digitization in office and customer-facing applications to reduce the need and use of paper.

With respect to construction and demolition activity, Fifth Third has established diversion requirements for partners to ensure material is being managed responsibly. In 2020, more than five million pounds were diverted from landfills for reuse, which included a diversion rate of more than 80%.

At our Madisonville campus in Cincinnati, we have instituted food waste composting as an additional waste mitigation strategy, resulting in more than 50,000 pounds of organic waste diverted.

WATER AS A RESOURCE

Fifth Third committed to reducing its water consumption 20% by 2022. This commitment was made with the understanding that water is a limited resource and requires significant energy (and in most cases, emissions) to manage. **To date, Fifth Third has reduced its total water consumption 31% compared to 2014.**

As a financial institution that operates office space, water usage (withdraw) typically involves the use of municipal water for sinks/bathrooms, office cleaning, landscape irrigation and some minimal mechanical uses. In a small number of cases, Fifth Third uses local on-site water wells as a water source. Water is discharged to municipal sewer systems or to the ground in the case of retail landscaping activity. Given its water usage and discharge activities, Fifth Third has not seen a need to establish independent standards for effluents. Reporting information on water usage is based on utility bills. The Bank has yet to assess upstream and downstream water impacts but will consider doing so in the future.

Much of Fifth Third's water consumption is driven by on-site irrigation that helps maintain landscapes at our retail locations. While we maintain a high standard for exterior spaces, we also aim to have responsible use of water resources. With this goal, a **smart irrigation program was launched in 2018 to help manage and control exterior water use**, giving the Bank remote visibility into irrigation schedules and controller functionality. The system also monitors



For over 10 years, Fifth Third has reported our environmental impacts through the climate change disclosure system run by CDP (formerly the Carbon Disclosure Project). **In both 2019 and 2020, Fifth Third received an "A-"** which is in the leadership band demonstrating we are implementing current best practices.

real-time weather. When a rain event is set to overlap with an existing irrigation event, the system makes a real time correction, reducing the water used. These smart controls not only limit our overall water use but protect our sites and infrastructure from the hazards of over-watering.

Fifth Third has also adopted water efficiency standards for new equipment to ensure we are responsibly managing water use.

FEATURE

GREEN PROCUREMENT

In addition to pursuing our bold goals, Fifth Third looks for opportunities to drive sustainability into all aspects of our business.

GREEN CLEANING

In 2018, we implemented a new environmentally friendly cleaning standard in our building operations to help reduce the exposure of building occupants and maintenance personnel to chemical, biological and particulate contaminants that may adversely affect air quality, human health and the environment. The standard seeks both to protect local communities and to protect customers, employees and teams performing the cleaning.

Fifth Third follows the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) green cleaning recommendations to ensure that the majority of cleaning products meet national standards, including EPA Safer Choice, Eco Logo and Green Seal. These efforts also impact cleaning equipment, which is being changed to meet best practices on noise reduction, energy and water efficiency, and emissions. These standards contribute to corporate energy and water reduction goals.

ENVIRONMENTALLY SUSTAINABLE PRODUCTS AND MATERIALS

Continually increasing our use of environmentally sustainable products helps ensure we have a smaller environmental impact from the development and manufacturing of these products. It also improves occupant health and operational efficiencies associated with our buildings. Greener product selections are incorporated into design standards for fabrics, furnishings and flooring. **Building and renovation standards also establish energy and water efficiency requirements for building products, including wall insulation, windows, lighting, plumbing fixtures and mechanical equipment.** These products must meet enhanced standards such as the U.S. EPA's Energy Star® and WaterSense standards, specific efficiency ratings (SEER ratings) or other minimum criteria.

REDUCING EMBODIED CARBON IN CARPETING

We recently began evaluating the embodied carbon of specific products. Embodied carbon represents all the impacts related to the sourcing of raw materials, product manufacturing and transportation. Our collaboration with Interface, a company that offers a suite of carbon-neutral flooring products, has been a key success of our efforts. **In 2020, we purchased more than 13,000 square yards of Interface carbon neutral flooring.** The majority of these products are made from 100% recycled nylon, which makes use of a discarded material and avoids the need for virgin materials. According to Interface, the combined impact of these purchases includes reducing 121 metric tons of carbon dioxide from entering the atmosphere. We continue to assess opportunities to reduce the embodied carbon of the products we choose so that our operations and buildings are as sustainable as possible. ■

Environmental Risk Management

Effective risk management is critical to Fifth Third's ongoing success.

GOVERNANCE

Fifth Third's comprehensive processes for managing risks, including climate-related risks, are described in the Enterprise Risk Management section on page [37](#) of this report. **Oversight for climate-related risks includes both Board-level and senior management oversight.**

View Fifth Third's comprehensive processes for managing risks in the [Enterprise Risk Management](#) section of this report.

Board-Level Oversight

The Board of Directors is responsible for overseeing the corporate governance, strategy, and risks of Fifth Third, which include risks and opportunities relating to climate. In fulfilling its responsibilities, the Board has delegated responsibilities to the following Board-level committees:

- **The Risk and Compliance Committee** has been delegated the responsibilities to monitor and oversee risks, including climate risk, from the Board. The RCC's purpose is to oversee development and implementation of Fifth Third's Risk Management Framework, inclusive of risk appetite; review, approve, and oversee the development of effective policies, processes and programs to ensure risks are properly managed and controlled; and annually review risk management policies.
- **The Nominating and Corporate Governance Committee** has been delegated responsibilities to monitor and oversee governance matters from the Board. The NCG Committee is responsible for developing and recommending corporate governance policies and guidelines, recommending policies to enhance Board effectiveness, creating and reviewing corporate governance policies, reviewing and advising on the governance structure, and overseeing ESG-related commitments, issues and strategy (including climate strategy). Climate-related

issues are addressed in this committee in the context of stakeholder concerns, including those articulated by institutional investors, employees, customers, and community advocacy groups.

The Board is supported by the chief executive officer who is also the Board chair, and well positioned to help the Board understand how climate change is integrated into the Bank's strategy and risk management, and to help the Board fulfill its oversight responsibilities related to climate change.

Senior Management Oversight

Our enterprise risk management framework includes a hierarchy of risk management committees to review and manage all major risk types that affect the Company. **Risk-related issues are communicated to risk management committees that are dedicated to specific risk types based on materiality and the most significant risks are communicated up to the Enterprise Risk Management Committee and RCC.** The **Corporate Responsibility and Reputation Committee** is one of these risk management committees in our governance framework, and reputational and other corporate risks relating to climate matters are reviewed and managed in this committee.

The CRRC is supported by the ESG Committee which provides guidance and feedback with respect to the assessment of environmental risks facing Fifth Third.

RISK IDENTIFICATION AND MANAGEMENT

In 2017, we began to look more closely at how to mature Fifth Third's integration of climate-related risks—including **physical risks** and **transition risks**—into our risk management framework.

Fifth Third's climate risk working group is led by the Enterprise Risk Team and comprised of experts from each of the applicable risk types as well as leadership from lines of business, investor relations, and legal. The group meets regularly to identify climate risks and analyze the potential impact of various climate scenarios on the Bank.

Physical Risks

Physical risks from a changing climate are already present and growing. **These risks can be acute (event-driven) or chronic longer-term shifts in the environment.** Examples of physical risks include, but are not limited to, extreme weather events such as hurricanes, floods, winter storms, heat waves and droughts, as well as chronic sea-level rise or deforestation.

Fifth Third's climate risk working group identifies climate risks and analyzes the potential impact of various climate scenarios.

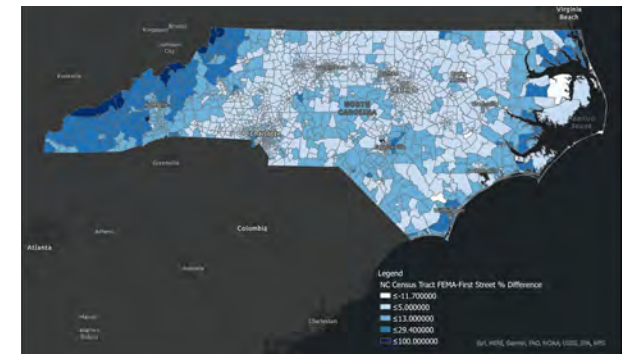
Physical risks may transmit into financial risks in the following ways:

- **Operational risk:** Fifth Third may be directly subject to operational risk by operating facilities, including over 1,100 full-service banking centers, across the midwest and southeast markets. These facilities may be vulnerable to acute weather events, such as hurricanes, floods and tornadoes, which could cause business disruptions.
- **Credit risk:** Fifth Third may be indirectly exposed to credit risk due to the potential impact of acute or chronic weather events which may weigh on our clients' financial health and their ability to meet their financial obligations.

An example of this is flood risk, which may impact our residential mortgage portfolio. Most mortgages originated and serviced by Fifth Third are guaranteed by either Fannie Mae or Ginnie Mae, however, Fifth Third does retain a smaller portfolio of mortgages that may be subject to flood risk. Although mortgages located in a flood zone designated by FEMA are required to have flood insurance, there are known limitations with the models used by FEMA in assessing flood risks, such as a focus on coastal and fluvial (river) risk and not flooding due to pluvial (rainfall) risk.

Therefore, **Fifth Third's Decision Science Group undertook a project to better understand our**

exposure to flood risk, concentrating first on North Carolina mortgage exposures. The team partnered with First Street Foundation, a leading, non-profit research and technology company, who models the risks of flooding including pluvial, storm surge and tidal flooding, both now and in the future. Unlike the FEMA models that are not asset specific, the models used in the analysis considers factors such as the building footprint elevation, home value, height of the first finished floor, building materials and more.



Map represents the difference between FEMA and First Street's risk assessment in North Carolina

The project resulted in identifying new properties that may be subject to flood risk that are not located in designated FEMA flood zones. The results were shared with the Mortgage line of business as well as the credit risk teams. Fifth Third is considering expanding the analysis beyond the original project scope in the future.

Transition Risks

Transitioning to a lower-carbon economy may present additional risks, including credit, strategic and reputational risks. Examples of transition risks facing Fifth Third and our clients include but are not limited to **energy transition policies, disruptive technological advancements including clean energy development and storage, shifts in consumer preferences or other disruptions to legacy business models.**

Transition risks arise from human efforts to address environmental risks from climate change and may be transmitted into financial risks such as:

- **Credit risk:** Fifth Third may be indirectly exposed to credit risk due to the potential impact of transition risks on our clients' financial health and their ability to service debt.
- **Strategic risk:** Fifth Third may face strategic risks from the potential industry transition to a low carbon economy as it relates to our lending and business strategies.
- **Reputational risk:** Fifth Third may be subject to reputational risk directly if key stakeholders do not agree with our meaningful public commitments on climate change or if we are not demonstrating substantial progress towards our commitments.

ENVIRONMENTAL CONSIDERATIONS IN COMMERCIAL DECISIONS

Recognizing the heightened environmental risks inherent in the energy sector, we implemented an environmental risk assessment component for new lending opportunities in 2013. In addition to environmental risks such as the client's management of water and air emissions, we also evaluate social risks such as worker safety and community engagement. **In 2020, we published a new Environmental and Social Policy that identifies sectors that pose heightened environmental and social risks.** The policy provides guidance on clients in sectors and activities that are prohibited or that are subject to enhanced customer due diligence and may require escalated review and approval from senior leaders.

All commercial loans secured by commercial real estate are subject to environmental due diligence. **In accordance with our commercial loan policy, each collateral property is assessed for actual or potential environmental liabilities from the transaction.** Our Environmental Risk Group is responsible for working with our commercial lending partners to manage or mitigate any identified environmental risks. **The Bank's Environmental Risk Group is staffed with experienced environmental professionals to support commercial lending teams in managing**



Living our Core Values

In times like these, it is just as important to note what Fifth Third **DOES NOT DO:**

- **Knowingly engage with businesses directly involved in bribery, child labor, illegal logging, and other prohibited activities** listed in our Environmental and Social Policy.
- **Business with debt collectors, high interest rate lenders, or manufacturers and distributors of military-style firearms** for nonlaw enforcement, non-military use without performing enhanced due diligence to ensure they are not in conflict with our Core Values and Code of Conduct.
- **Business with clients in sectors with elevated environmental and social risks** without enhanced due diligence, including forestry, palm oil, coal mining, nuclear power, and Arctic drilling.

environmental risks and enabling prudent financing of environmentally impaired properties.

Managing environmental risks not only enables the Bank to avoid losses due to environmental liabilities, but also allows the Bank to finance the remediation and redevelopment of properties where the redevelopment or reuse is complicated by actual or potential presence of contamination (i.e., brownfields). ■

Transition to a Sustainable Future

Fifth Third is committed to helping our customers and communities in the transition to a low-carbon, sustainable future.

Just as Fifth Third seeks to be an environmental leader in our industry, we want to help our customers and communities accelerate their own transition to a more sustainable future.

We seek to provide our customers with products and services that will help them meet their evolving needs, and we hope to inspire and support our communities to drive sustainability on a local, national and ultimately global scale.

The Bank's renewable energy finance practice has a deep understanding of clients' needs to help them reach their business goals.

RENEWABLE ENERGY LENDING AND FINANCING

Fifth Third began financing renewable energy in 2012 when the Bank financed the construction and operations of numerous solar projects in North Carolina. **In 2018, a national renewable energy finance center of excellence was established which drastically expanded our sustainability practice.**

We currently provide services to over 100 borrowers for 587 projects across 28 states.

The Bank's renewable energy finance practice leverages resources from our energy vertical, who have a deep understanding of clients' needs to help them reach their business goals. We expect to expand the practice and maintain our leadership position in the renewable energy marketplace.

SPOTLIGHT

Bank Hosts Climate Risks and Opportunities Roundtable

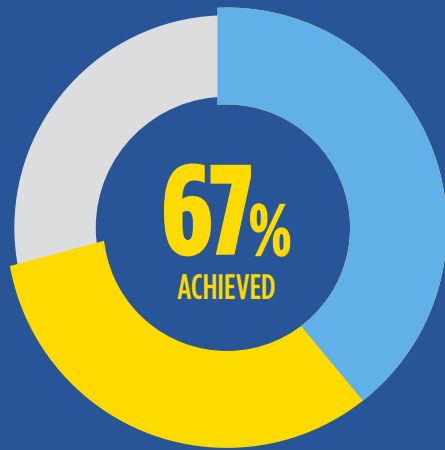
Fifth Third hosted a Climate Risks and Opportunities Roundtable to bring Bank executives and clean energy leaders together in a forum to discuss Fifth Third's climate strategy.

The roundtable featured two renowned renewable energy entrepreneurs, including Fifth Third Board Member Hal Harvey, who is CEO of Energy Innovation.

The discussion between our executives and the clean energy leaders centered around the foremost risks and opportunities related to the Bank's climate strategy, noting that the next 10 years will be transformative in the energy sector. The group agreed that the steps Fifth Third takes today to build our expertise in this area, coupled with our legacy of innovation, will position us to be the partner of choice for alternative energy providers seeking funding and solutions. ■

In 2020, we set our first sustainable finance goal of \$8 billion to be achieved by 2025.

PROGRESS* (AS OF 12/31/2020)



\$3B in **Lending Commitments and Asset Finance:** Providing direct financing to companies and projects. This capital is provided by Fifth Third and is reported on our balance sheet.

\$2.4B in **Facilitation of Capital Raising:** Helping customers raise debt and equity financing from other investors.

\$8 BILLION SUSTAINABLE FINANCE GOAL

In 2020, we set our first sustainable finance goal of \$8 billion to be achieved by 2025.

This goal includes lending and financing for renewable energy, which we define as solar, wind, geothermal, biomass, and hydropower. We decided to limit the scope of our public commitment to include only lending and facilitation of capital raising because these services contribute most directly to attracting new investments in renewable power.

Fifth Third has provided \$5.4 billion in lending and capital raising services since 2012. These services have helped lead to the completion of more than 3.5 GW of renewable energy projects across 50+ clients. In addition, we have provided \$1.5 billion in merger and acquisition advisory services.

OTHER SUSTAINABLE FINANCING INITIATIVES

Fifth Third helps clients in our leasing business reduce their own environmental impact by converting internal combustion (e.g. propane or diesel) forklifts to electric. As of December 31, 2020, Fifth Third leases over 1,500 electric assets to more than 18 clients across 38 states. For every 10,000 hours of use, internal combustion-powered forklifts emit 120,000 more pounds of carbon emissions than electric forklifts**. Electric forklifts with their zero local emissions ensure cleaner, more healthful air, indoors and out. This is not only good for the environment, it's good for employee health.

“Fifth Third Bank continues to inspire change by seeking opportunities to help business leaders build a cleaner, more sustainable economy.”

-**SUSAN MUNROE**, DIRECTOR OF ECONOMIC DEVELOPMENT WITH THE CHAMBERS FOR INNOVATION AND CLEAN ENERGY



Fifth Third has participated in credit facilities with the concept of “green” or “sustainable” pricing, whereby the borrower is able to achieve reduced pricing by meeting certain sustainability metrics. These metrics can be a certain percentage of “green” assets in a portfolio for a real estate customer or GHG emission reductions for other corporate banking clients. Fifth Third believes incentivizing customers to achieve agreed upon sustainability or other ESG metrics will help support them through the transition to a low-carbon economy.

Fifth Third is also helping clients by underwriting sustainability bonds, where the proceeds are applied to finance either “green” or “social” projects. As of March 31, 2021, Fifth Third has underwritten six sustainability bonds (4 green, 2 sustainable) for over \$4 billion for clients in the utilities, real estate and telecom sectors. ■

***“Electric Forklift Conversion Transforms Building Products Manufacturer” Electric Power Research Institute, article 3002000292, December 2013

*The methodology used to prepare these figures is available in the Additional Disclosures section of ir.53.com/esg.

FEATURE

Bank's Solar Lending Enables Beneficial Environmental Stewardship

Fifth Third's solar lending business is more than just the financing of renewable energy projects; it also enables us to support the transition to a sustainable future and to encourage responsible stewardship of the land. In 2020, the Bank served as administrative agent and left lead arranger for the **Trillium portfolio of solar assets** sponsored by Greenbacker Renewable Energy Company. Fifth Third financed \$105 million for 45 projects through the facility.

The Trillium portfolio's solar assets produce reliable clean energy and engage the land beneath the solar panels to support native flora and fauna by introducing pollinator-friendly

vegetation. Six of the portfolio's projects—totaling 8 MWdc of generating capacity across Arkansas, Vermont, and Washington, DC—are contracted to transition from turf grass under their solar arrays to a variety of perennial plantings.



Greenbacker
CAPITAL

Greenbacker has partnered with solar developer Encore Renewable Energy and pollinator-habitat installation organization Bee the Change on four of the six projects. Once completed, the roughly 35 acres of native grasses and flowering plants will provide habitats that support diverse and healthy pollinator populations, and increase the overall health and biodiversity of the area.

The vegetation will also have environmental benefits both below the surface of the ground and beyond the fence line of the facilities. The plantings reduce stormwater runoff, decrease frost heave potential, improve water quality and soil health, and sequester carbon through the biomass of deep-rooted perennial vegetation.

Two of the Trillium sites set to provide this valuable habitat have already completed construction and begun the critical phase of site preparation. Once established, the newly introduced greenery can offer additional operational advantages for the solar project's owner, as well. **These plants lower site maintenance costs—more than offsetting upfront planting expenses—as they require far less upkeep than turf grass.** Preliminary



data suggests new flora also generates a cooler microclimate beneath the solar equipment, which can help improve solar panel efficiency.

Greenbacker is excited for the many potential biological, geological, and operational benefits that pollinator-friendly vegetation will add to the Trillium projects. Through its collaborative relationships, the company will also ensure that pollinator habitat is successfully established and maintained on its sites, in service of **its mission to provide thoughtful, communal, and symbiotic stewardship of the land.** ■

“When we can be thoughtful about our landscape design in order to improve our local ecology and community, while also driving down our overall costs, we consider this a win-win.”

—MATT MURPHY, GREENBACKER CHIEF OPERATIONS OFFICER

WEALTH & ASSET MANAGEMENT

Fifth Third's Investment Management Group recognizes **there is an increasing interest in and focus on investing in companies that promote and achieve sustainability, encourage and measure corporate responsibility, and lead through their positive impact on employees, clients and communities.** This is often referred to as ESG investing. We take these factors into consideration and, as a fiduciary, incorporate them into client portfolios as appropriate.

ESG investing seeks to identify risks inherent in all businesses and invest in those companies who are best suited to handle those risks. We believe in providing our clients with options to invest in strategies across asset classes, countries, sectors and market cap. **We provide both active and passive ESG and socially responsible investment strategies** and continue to research and provide new options as the market evolves.

As of December 31, 2020, Fifth Third had \$1.5 billion in assets under management in various ESG and other socially responsible investments.

Our sustainability accomplishments were made possible through innovation and collaboration—it's now our responsibility to share.



Fifth Third held a compost bin event on its Madisonville Operations Center campus in Cincinnati.

SUPPORTING SUSTAINABILITY IN OUR COMMUNITIES

In our headquarters city of Cincinnati, **Fifth Third supports the Green Umbrella regional sustainability alliance through membership, conference sponsorship, volunteerism and board service.** In 2020, Fifth Third sponsored the Midwest Regional Sustainability Summit featuring Majora Carter, an award-winning urban revitalization strategist and consultant. Fifth Third also is a founding member of the Greater Cincinnati Green Business Council and the Cincinnati 2030 District.

We also support our employees and community in their own sustainability journeys. **In 2020, we hosted employee-focused electronic waste take-back events at our Madisonville and Grand Rapids campuses**

which collected more than 17,269 pounds of obsolete electronics. These events kept these materials out of the landfill and ensured they were recycled. In June 2020, we hosted a city-wide compost bin sale to help citizens purchase the supplies needed to compost at home.

Fifth Third was proud to be the primary sponsor of Chicago's "Bike the Drive" in both 2019 and 2020. This event encourages the community to use active transportation modes and serves as a fundraiser for the Active Transportation Alliance which works to advance these transportation modes year-round.

Our sustainability accomplishments were made possible through innovation and collaboration across many teams at Fifth Third—it's now our responsibility to share our experience. ■

Environmental Data

The table below includes environmental data from 2017-2020. Environmental data prior to 2017 is available at ir.53.com/esg.

	Unit	2020	2019	2018	2017
Normalizing Metrics*					
Employee headcount	Full-time Equivalent (FTE)	19,872	19,869	17,437	18,125
Square footage	Square Feet (SF)	9,488,471	10,167,362	9,399,846	10,092,544
Greenhouse Gas Emissions^a					
Scope 1 emissions	MT CO ₂ e	12,995	13,233	14,046	12,116
Scope 2 emissions (Location-based)	MT CO ₂ e	72,695	79,417	91,519	94,617
Scope 2 reduction (Location-based) compared to 2014 baseline	%	45.8	40.8	31.8	29.5
Scope 2 emissions (Market-based)	MT CO ₂ e	0	2,108	61,380	58,315
Scope 2 reduction (Market-based) compared to 2014 baseline	%	100.0	97.7	31.8	35.2
Scope 3 emissions from employee business travel	MT CO ₂ e	3,952	12,271	12,904	10,249
Total Scope 1, Scope 2 (Market-based), and Scope 3 emissions	MT CO₂e	16,947	27,612	88,330	80,680
Carbon offsets	MT CO ₂ e	16,947	0	0	0
Total carbon emissions	MT CO₂e	0	27,612	88,330	80,680
Sustainability Goals^{b,c,d,e} (Key Performance Indicators)					
Energy consumption per square foot	kBTU/SF	74.8	82.0	84.4	79.4
Water consumption per square foot	Gallons/SF	21.2	23.9	26.2	27.9
Landfill waste per FTE	Pound/FTE	464.0	493.4	540.9	N/A
Scope 1 & Scope 2 GHGs (Location-based)	MT CO ₂ e	62,633	73,087	75,397	74,473
Percent of power from renewable sources ^d	%	100.0	97.4	32.2	37.7

*As of December 31, 2020

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	Unit	2020	2019	2018	2017
Renewable Power^f					
Renewable Energy Certificates (RECs) retired	MWh	153,164	149,408	54,000	65,000
Energy Consumption^b					
Electricity	MWh	153,163	153,334	167,541	172,619
Natural gas	MWh	60,613	59,619	66,900	59,129
Chilled water	MWh	0	98	175	306
Diesel	MWh	292	233	1,648	215
Gasoline	MWh	31	32	25	N/A
Jet fuel	MWh	2,241	5,303	5,130	4,864
Total energy use	MWh	216,340	218,618	241,419	237,133
Water Consumption^{b,c}					
Water usage	Kilo Gallons	136,524	161,108	195,058	211,268
Waste^{b,c,d}					
Recycled/composted material	Tons	1,823	1,894	1,723	N/A
Secure shred paper recycling	Tons	3,935	3,631	3,942	4,034
Municipal solid waste	Tons	4,257	4,526	4,716	N/A
Diversion rate	%	57.5	55.0	54.6	N/A
Other Metrics					
CDP Climate Change Survey Score		A-	A-	C	C
LEED certified square feet	Square Feet (SF)	150,943	150,943	146,766	137,997
ENERGY STAR® certified square feet	Square Feet (SF)	217,252	0	0	0

N/A = Not available.

Totals shown above may not foot due to rounding.

^aScope 1, 2, and 3 emissions have been independently verified. Verification statements are available in the Additional Disclosures section of ir.53.com/esg. For calendar year 2020, carbon offsets were obtained from Recast Energy biomass project (Louisville, KY). All carbon offsets have been NSF certified.

^bInformation has been independently verified. Verification statements are available in the Additional Disclosures section of ir.53.com/esg.

^cConsumption information from locations acquired as part of merger with MB Financial are not included in energy, water, and waste KPIs and related calculations (except where noted), but will be included in future reporting.

^dThe 2018 municipal solid waste total has been revised from the previously reported total. The revised total has been independently verified.

^eEnergy and water consumption KPI calculations are calculated per square foot for owned or ground-leased buildings where we receive a utility bill. GHG emissions KPI is location-based using national average emissions factors for all locations where we receive a utility bill. Landfill waste is calculated per FTE and includes all locations where we receive waste bill and data. Verification statements are available in the Additional Disclosures section of ir.53.com/esg.

^fFor calendar year 2020, RECs were obtained from MS Solar 3 (MS) and Beacon Solar (CA). All RECs have been Green-E certified.