Task Force on Climate-Related Financial Disclosures Progress Report

Contents

INTRODUCTION

About this Report

In 2019, Fifth Third became the first regional bank to publish a Climate-related Financial Disclosure Report following the recommendations of the Task Force on Climate-related Financial Disclosures. This report presents Fifth Third's progress toward implementing the TCFD's recommendations and reflects a summary of our advancement toward fully incorporating the identification and management of climate-related risks and opportunities into our business strategy and disclosure efforts.

Climate risk management continues to evolve for many companies, including Fifth Third, and we expect the methods and tools for managing these risks will continue to improve. **This report represents another important step on our climate journey and toward our Purpose: to improve the lives of our customers and the well-being of our communities.**

The data used in this report covers the period of Jan. 1 through Dec. 31, 2022, unless otherwise noted, and the narrative may include updates from 2023, where applicable.

The goals discussed in this report are aspirational. While we are committed to achieving them, we cannot guarantee or promise that these goals will be met. Statistics and metrics in these disclosures include estimates and may be based on assumptions. Further, some figures in this report may be unaudited. This report uses certain terms, including "material" topics, to reflect the issues of greatest importance to Fifth Third and our stakeholders. Used in this context, these terms are distinct from and should not be confused with the terms "material" and "materiality" as defined by or construed in accordance with securities laws or as used in the context of financial statements and reporting.

This report is for general informational purposes only and does not constitute an offer or sale of any securities issued by Fifth Third Bancorp. All such offers and sales shall be made only pursuant to an effective registration statement filed by Fifth Third Bancorp with the Securities and Exchange Commission and a current prospectus. The information in this report shall not be deemed to be incorporated by reference in any filing under the Securities Exchange Act of 1934 or the Securities Act of 1933, except as shall be expressly set forth by specific reference.

All information in this report is valid as of the date indicated thereon. We do not undertake any obligation to update the information in this report or otherwise notify you in the event that any views, opinions or facts stated in this report change or subsequently become inaccurate. This report is not comprehensive and contains only voluntary disclosures on important sustainability topics. For that reason, this report should be read in conjunction with our 2022 Sustainability Report; 2022 CDP Climate Change Questionnaire Response; 2022 Annual Report on Form 10-K (particularly the "Forward-Looking Statements" and "Risk Factors" sections); and 2023 Proxy Statement, all of which can be found on our Investor Relations website.

A Message from our Leaders

Welcome to Fifth Third's TCFD Progress Report. We are pleased to provide an update on our progress since the publication last year of our 2021 TCFD report. Since becoming the first regional bank to publish a TCFD Report in 2019, these voluntary disclosures have become an integral part of our efforts to ensure transparency and accountability for how we identify, measure and manage climate-related risks and opportunities.

As we anticipate these voluntary disclosures will soon become part of doing business, we are planning for these changes and are incorporating them to the best of our ability while we continue to develop and manage our own climate risk activities and work to enable a sustainable transition.

Addressing Climate Change

As one of Fifth Third's five board-approved sustainability priorities, addressing climate change is at the forefront of our efforts to create an inclusive and sustainable economy for all we serve, and to be the one bank that people most value and trust.

We've taken some significant steps. In 2022, we acquired Dividend Finance, which has grown to be the third-largest residential solar lender in the United States. Through Dividend, we assist consumers with energy efficiency, decarbonization and peak energy reduction products and services for their homes.

Also last year, we announced a new $100 billion environmental and social finance target after achieving our $8 billion sustainable financing goal. The $100 billion target includes climate-related financing in areas like renewable energy, green buildings, energy efficiency, clean transportation and circular economy. In 2022, Fifth Third provided more than $6 billion in sustainable financing against the goal in these areas under the environmental eligibility criteria.

Measuring our Climate Impact

The accounting of financed emissions is the central question facing financial institutions today—and was our primary motivation for publishing our first TCFD report in 2019 and for signing on as a TCFD supporter in 2020. As the industry moves toward greater understanding and consensus about the best path forward, we have established a financed emissions methodology. **We are refining what data will be most effective in guiding our climate decisions and plan to disclose the estimated financed emissions of our commercial lending in 2024.** For our Scope 1 and Scope 2 emissions, Fifth Third has offset as much carbon as it has emitted[1] since 2020 through the purchase of 100% renewable power and verified carbon offsets for remaining emissions. We were the first regional U.S.-based commercial bank to achieve this and are proud of our commitment to sustainability leadership in the industry.

Assessing Climate Opportunities and Risks

A key tenet of our approach to banking is building relationships through human connection and expert guidance so that we can empower clients to achieve what matters most to them. In this spirit, we launched a pilot program last year to engage directly with clients in our oil and gas portfolio to understand their transition plans and sustainability practices. These in-person discussions were held with the clients and representatives from our sustainability, line of business and risk teams. These conversations were impactful for both our clients and the Bank, enabling us to determine the best ways we could support our clients' transitions. Internally the Bank partnered with the Ceres Company Network to create a client opportunities and risk assessment ("CORA") tool for the line of business to consider as part of its relationship and portfolio management practices.

We are publishing this report at a time of rapid change in the climate landscape, including the prospect of new climate rules and regulations in the near future.

[1] See page 21 for more information

This CORA tool is being established to collect voluntarily disclosed borrower information to enable relationship managers to understand the opportunities and risks arising from the clients' physical or transition risks.

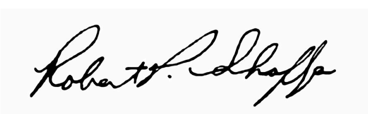
In 2022, we developed a climate risk scenario analysis framework and conducted exploratory analyses of physical and transition risks across multiple timeframes. We implemented ON Climate, an application developed by OakNorth, to enhance our transition scenario analysis capability. The application is enabling us to evaluate multiple transition scenarios in our commercial loan portfolio across multiple time horizons. Our work with ON Climate led to recognition of our Bank by Celent as a winner of a **Model Risk Manager award** for Responding to Emerging Risks, specifically climate change risk assessment. To deepen our understanding of flood risks, we evaluated the risk to our consumer mortgage portfolio by using First Street Foundation's flood data. While the scenarios were exploratory, they served as a foundation to evaluate the results to identify risks and opportunities to embed climate considerations further into our operations.

We also achieved our first set of operational sustainability goals, set in 2017, and announced a second set of ambitious goals to be achieved by 2030, including our first goal related to reduce paper use. We've already achieved our goal to maintain 100% renewable power.

In closing, thank you for your interest in the Bank's work to address climate change. As we continue to make progress against our stated priorities and targets, the Bank is thinking about how our efforts align with an equitable transition. This means we are considering not only the positive impacts from a transition to a lower carbon economy, but potential consequences if not appropriately addressed, as well.

We invite you to engage with the information contained in this report and contact us if we can be of assistance. Thank you for partnering with us as we work to create long-term sustainable value for all of our stakeholders through direct action and stewardship of our planet.

Sincerely,



Bob Shaffer
Chief Risk Officer

Kala Gibson
Chief Corporate Responsibility Officer

INTRODUCTION

TCFD Index

This table identifies where to find information related to each of the recommended disclosures from TCFD, including in this report and in the Bank's other publicly available documents.

Recommended Disclosure	TCFD Report References	Other Source References
Governance		
Board's oversight of climate-related risks and opportunities	Governance Board Oversight, page 8	2022 Form 10-K 2023 Proxy Statement Audit Committee Charter Nominating & Corporate Governance Committee Charter Risk & Compliance Committee Charter Sustainability Report
Management's role in assessing and managing climate-related risks and opportunities	Governance Management Across the Bank, page 9	2022 Form 10-K
Strategy		
Climate-related risks and opportunities the organization has identified over the short, medium and long term	Strategy, pages 10-25 Risk Management Management of climate-related risks, pages 29-30	2022 Form 10-K Sustainability Report
Impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	Strategy, pages 10-25 Metrics & Targets, pages 31-36	Sustainability Report 2023 Proxy Statement
Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario	Strategy Scenario Analysis, pages 18-19	Sustainability Report
Risk Management		
Organization's process for identifying and assessing climate-related risks	Risk Management, pages 25-30	2022 Form 10-K Sustainability Report
Organization's processes for managing climate-related risks	Risk Management, pages 25-30	2022 Form 10-K Sustainability Report
How processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	Risk Management, pages 25-30	2022 Form 10-K Sustainability Report
Metrics and Targets		
Metrics used to assess climate-related risks and opportunities in line with its strategy and risk management process	Metrics & Targets, pages 31-36 Strategy Moody's Environmental Risk, page 17	Sustainability Report
Scope 1, Scope 2, and Scope 3 greenhouse gas ("GHG") emissions	Metrics & Targets, pages 33-35	Sustainability Report
Targets used by the organization to manage climate-related risks and opportunities and performance against targets	Metrics & Targets, pages 31-36	Sustainability Report 2023 Proxy Statement

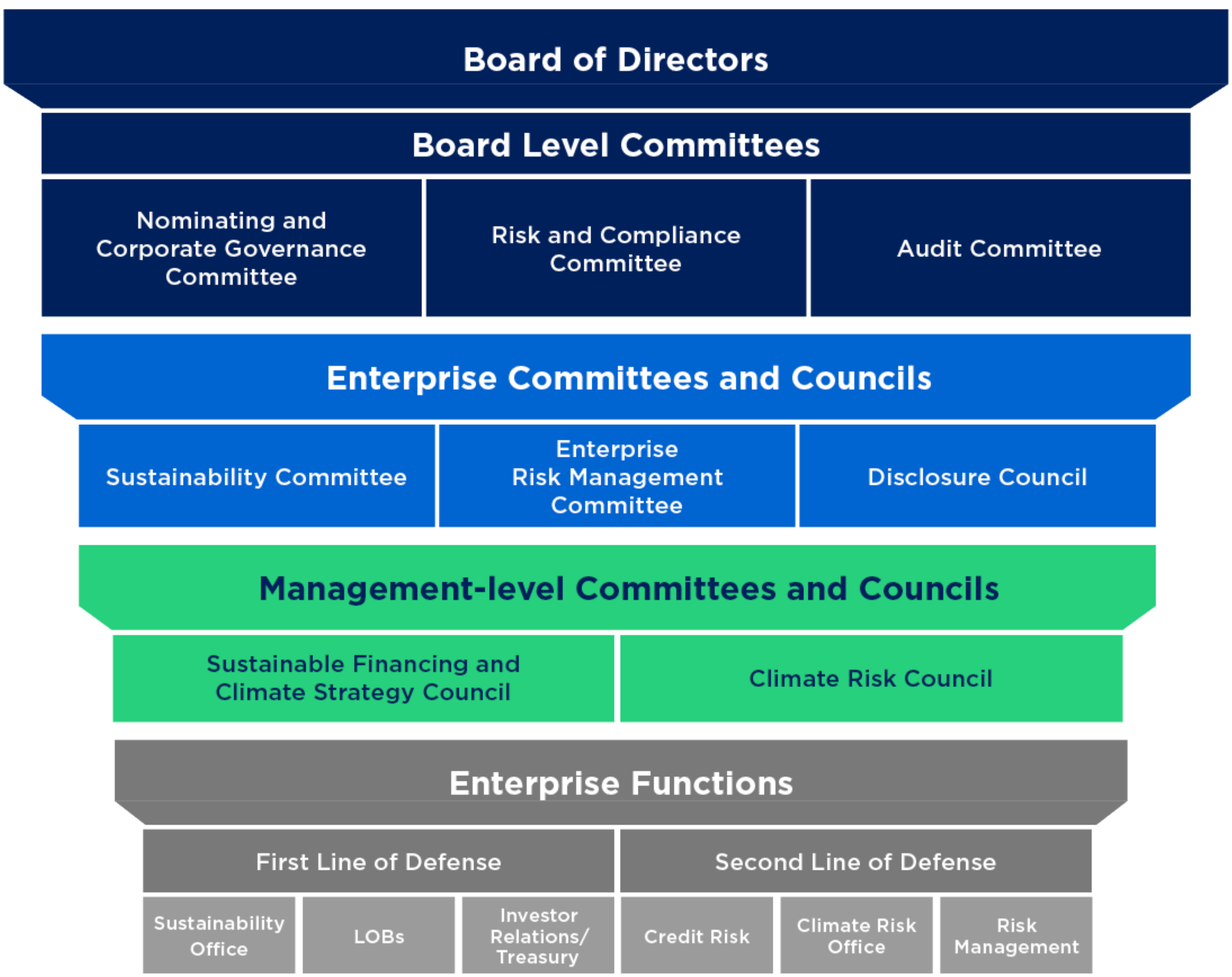
GOVERNANCE

Progress Highlights:

Since our 2021 Report, we have enhanced our governance around climate risk by:

- Continuing to mature the Climate Risk Council by driving focus on risk trending and oversight activities.
- Establishing regular operating rhythms to provide routine updates to the Board of Directors. Incorporated specific responsibilities of oversight for climate-related risks and opportunities in appropriate committees and charters.
- Hosting an educational workshop for managers across the organization in partnership with Ceres.

We believe that a strong corporate governance program is the foundation for a sustainable and well-governed company, not just with the oversight of climate. Accordingly, we periodically reevaluate our structures, processes and controls to ensure they support and promote accountability, effectiveness, transparency and sustainability.



GOVERNANCE

Board Oversight

The Board of Directors oversees Fifth Third's corporate governance, strategy and risks, including climate-related risks and opportunities.

In fulfilling its duties, the Board has delegated responsibilities to the following Board-level committees:

Risk and Compliance Committee

The RCC is responsible for **monitoring and overseeing risks**, including climate-related risks. Its purpose is to oversee development and implementation of Fifth Third's Enterprise Risk Management Framework, including risk appetite and corresponding metrics and limits; to review, approve and oversee the development of effective policies, processes and programs to ensure risks are properly managed and controlled; and to review material risk management policies annually.

The Board is periodically updated on climate risk management and sustainability strategy. For oversight, the Board is updated on the Bank's activities to update climate risk practices in alignment with industry best practices and emerging regulatory principles. This includes quarterly reporting up through the RCC on climate-related metrics, assessments and activities across the enterprise.

Nominating and Corporate Governance Committee

The NCGC is responsible for **monitoring and overseeing governance matters**.

The NCGC 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. The NCGC addresses climate-related issues in the context of stakeholder concerns, including those articulated by institutional investors, employees, customers and civil society. It submits quarterly status updates and progress reports on targets and goals for public commitments, such as the Environmental and Social Finance Target.

Audit Committee

The Audit Committee is responsible for monitoring and overseeing management financial statements and audit functions. This committee addresses climate-related matters in the context of our disclosure of risk posed by physical and transition factors facing the Bank.

The Board provides additional support and oversight for climate-related matters outside of routine Board committee activities. In addition, targeted education sessions bring attention to climate risk, including the February 2022 climate risk workshop hosted for the Board in partnership with Ceres Company Network.

Since establishing a skills matrix in 2019 for the Board for inclusion in the company's proxy statement, the Bank has assessed experience in ESG or sustainability matters, such as climate. As of the 2023 Proxy, 11 of the 14 board members possess sustainability experience.

During the review for the 2022 Variable Compensation Plan, the Human Capital and Compensation Committee approved the addition of an ESG modifier, which was reviewed based on the Bank's qualitative performance against the Company's sustainability priorities as reviewed by the Board. Additional detail about executive compensation and board oversight of this can be found on Page 102 of the Bank's Sustainability Report.

"Addressing climate change is one of the Bank's board-approved sustainability priorities. As a Board, we are committed to excellence and ensuring effective oversight of the Bank's climate-related risks and opportunities."

-Nicholas K. Akins, Board Chair

GOVERNANCE

Management Across the Bank

Our Enterprise Risk Management Framework includes a hierarchy of risk management committees to review and manage all major risk types that affect the Bank.

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 RCC, NCGC and Audit Committee.

Enterprise Risk Management Committee

The ERMC is chaired by the chief risk officer, comprises senior management across the three lines of defense and reports into the RCC. The committee is **responsible for overseeing all risk types to ensure that risks remain within the Bank's appetite**. For climate-related risks, the ERMC reviews activities to identify, assess and manage climate-related risks effectively. The ERMC reports quarterly on climate-risk topics.

- The Climate Risk Council was established in 2021 to coordinate the effective identification, management and reporting of climate-related risks impacting the Bank, and to to oversee development of the climate risk program.

Sustainability Committee

The Sustainability Committee is chaired by the chief corporate responsibility officer, comprises senior management and reports to the NCGC. The Sustainability Committee supports the NCGC and **provides guidance and feedback on the assessment of environmental, social, and governance disclosures and performance risks** facing Fifth Third. The Sustainability Committee provides a quarterly update about these items to the NCGC.

- The Sustainable Financing and Climate Strategy Council was established in 2020 to assist the Sustainability Committee in developing the Bank's climate strategy and in setting, reporting and disclosing the Bank's goals relating to sustainable financing and operational sustainability.

Management of climate-related risks and opportunities is collectively shared across Fifth Third Bank. Senior level managers from all lines of business and across our three lines of defense contribute to manage climate-related risks to the Bank and the Bank's impact to the climate. Additional details about responsibilities of key senior leaders, including the climate risk officer, is provided on Page 11 of our 2021 TCFD Report.

Feature:

In December 2022, the Bank partnered with Ceres Company Network to host a workshop for managers from all three lines of defense. The workshop deepened the understanding of climate risk among key internal stakeholders by raising awareness on topics like regulatory readiness, risk assessment maturity and financed emissions calculation options.

Photo credit: Ross Van Pelt
Left: Participants at the Climate Risk Workshop held in December 2022 at Fifth Third Center Cincinnati.
Right (pictured from left): Blair Bateson of Ceres Company Network with Fifth Third's Emily Westendorf and Kevin Quatman.

Strategy

Progress Highlights:

Since publishing our 2021 report, we have made significant strides toward executing our strategy to address climate change. This includes:

- Integrated Dividend Finance after acquiring the residential solar lender in May 2022.
- Began supporting clients in their journey to a sustainable transition through a pilot program for direct client engagement of our oil & gas portfolio that makes use of Moody's environmental risk heat map.
- Facilitated a pilot program for calculating financed emissions for our energy and power portfolio.
- Engaged employees with new educational opportunities including learning pathways and a Sustainability Enterprise Business Resource Group.

As the impacts of climate change continue to be felt around the world, we are beginning to see significant changes emerge in the way many of our customers do business. These changes are driving a larger shift in the national and global economy as the push toward decarbonization accelerates. Key industries on the front line of the transition are already experiencing substantial disruption. For many, it is no longer about whether this change will happen, but instead how quickly it will transpire.

Fifth Third's historic commitment to environmental leadership in the financial services sector is rooted in our desire to build strong communities, to serve our customers well and achieve our ambition. We are driven by our understanding that integrating sustainability into all aspects of our Bank creates long-term value and strengthens the communities we serve. As part of that leadership, we recognize the need for financial service providers to support the transition toward decarbonization and a more sustainable future.

To date, our efforts to continue advancing the Bank's strategic focus on addressing climate change have centered on the following priorities:

Expanding climate-related financing activities

Understanding our borrowers' opportunities and risks

Managing our Climate-related Risks

Reducing our Climate Impact

Engaging with Stakeholders

STRATEGY

Expanding Climate-Related Financing Activities

Environmental Financing

In 2020, Fifth Third set our first sustainable finance goal of $8 billion to be achieved by 2025. The goal included lending and financing for renewable projects, including for renewable energy, which we define as solar, wind, geothermal, biomass and hydropower. We limited the scope of our public commitment to include only lending and facilitation of raising capital because these services contribute most directly to attracting new investments in renewable power.

Because we achieved this $8 billion goal three years early, in June 2022, we expanded our aim in 2022 and announced a 10-year, $100 billion environmental and social finance target through 2030. Additional detail about the progress made toward that new goal is provided in Metrics & Targets.

Renewable Energy Finance

Fifth Third began financing renewable energy projects in 2012 with the construction and operations of numerous solar projects in North Carolina. We focus on domestic renewable technologies, with an emphasis on solar, and we have financed large-scale projects, distributed generation and community solar. In 2018, we established our national renewable energy finance group under our national energy, power and renewables Commercial Banking team. This group drastically expanded our sustainability practice and led to the Bank's recognition from the North Carolina Sustainable Energy Association with its Business Leadership in Clean Energy Award. The Bank's renewable energy finance practice makes use of resources from our energy sector sales team. In 2022, the team provided nearly $2 billion in lending and capital-raising for renewable energy projects.

Dividend Finance: A history of innovation and impact

Fifth Third acquired Dividend Finance, a leading financial technology lender based in San Francisco, in May 2022. Since then, it has grown to become the third largest residential solar lender in the United States, providing nearly $3 billion in renewable energy and energy efficient lending toward the Bank's overall environmental and social finance goal.

With a vision of creating a more efficient and sustainable world by enabling more investment in renewable energy, Dividend Finance pioneered a financing model for solar and sustainable residential upgrades across the U.S. Since 2014, Dividend Finance has supported the installation of nearly 150,000 systems, with over 3.6 million modules for a total capacity of 1.28 gigawatts. The renewable energy generated over the 25 years of expected output is equivalent to offsetting 33.5 million metric tons of carbon dioxide, which is equivalent to emissions from:

- 86 billion miles driven by an average gasoline-powered passenger vehicle.
- 1.5 trillion propane cylinders used for home barbecues.
- 4 quadrillion smartphones charged.

Sustainable Finance Solutions

Fifth Third is committed to supporting 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 identify and capitalize on their own transition to a more sustainable future. This transition also presents a growing opportunity to expand our lending in existing and new areas. In so doing, we will seek to provide our customers with products and services that will help them meet their evolving needs, and simultaneously to inspire and support communities to drive sustainability on a local, national and ultimately global scale.

Climate-related opportunities for Fifth Third include:

Opportunity	Definition
Renewable energy	Investments or financing related to construction, development, acquisition, maintenance and operation of new wind and solar renewable energy generation, including long-term (5 years or more) power purchase agreements.
Green buildings	Investments or financing related to design, development, operation, construction, materials, maintenance and certification costs of real estate projects that have received or are expected to receive third-party sustainable certifications or verification, such as LEED® Gold or Platinum, BREEAM® Excellent, and Energy Star®85+.
Energy efficiency	Investments or financing related to energy efficiency projects and technologies that are designed to enable energy and emissions reductions, such as energy efficient heating (excluding those powered by fossil fuels) and cooling.
Clean transportation	Investments or financing related to clean transportation designed or expected to reduce greenhouse gas emissions. These may include electric vehicles, electric vehicle charging stations and clean mass transportation such as electric rail and electric buses.
Sustainable bonds	Any type of bond instrument whose proceeds or an equivalent amount will be applied exclusively to finance or refinance, in part or in full, new or existing eligible green projects and which are aligned with the four core components of the Green Bond Principles.
Sustainability-linked corporate loans	Loans aim to facilitate and support environmentally and socially sustainable economic activity and growth by enabling lenders to incentivize the sustainability performance of the borrower.

Feature:

Fifth Third Serves as Co-Lead Arranger on Five Utility-scale Solar Projects

In April 2023, Fifth Third served as a co-lead arranger on the $357 million credit facility financing the construction and operations of five utility-scale solar projects for Heelstone Renewable Energy LLC.

“Heelstone has a long-standing relationship with Fifth Third and was proud to work with them on these projects.” said Justin Gravatt, Heelstone’s CEO. “Our team has put a lot of effort into these projects, and it’s really gratifying to see that effort pay off through a successful financial close.”

"Fifth Third Bank is pleased to assist with Heelstone’s growth." said Jon Stark, managing director of Corporate Banking for renewables at Fifth Third. "Our strong relationship with Heelstone and closing this credit facility highlights our leadership in the renewable energy finance market.”

The Fifth Third Green Bond

Through the issuance of sustainable bonds by Fifth Third, we aim to finance green and social projects that align with our sustainability priorities. We expect that this method of funding will allow us to tailor our financing with our investment and lending priorities. Additionally, by offering sustainable bonds, we hope to make additional investment opportunities available to our investors that meet their investment objectives. Fifth Third published its **Sustainable Bond Framework** with a **second-party opinion** from Sustainalytics that indicated the framework is credible, impactful and aligned with the ICMA principles.

Under this framework, Fifth Third issued its inaugural Green Bond on Nov. 1, 2021, and became the first U.S. financial institution with under $250 billion in assets to issue an ESG bond of any type. The net proceeds from the bond helped our customers achieve their renewable energy and green building objectives. As required by our Sustainable Bond Framework, we published a **Sustainable Bond Report** in October 2022 that details the use of proceeds according to our eligible project criteria and the impact of these projects on our goal of building a sustainable future.

For additional details, refer to the **Sustainability Bonds** page on the investor relations website.

What's Next:

- Continue to make progress on meeting operational and finance goals.
- Collaboration and partnerships with communities across our footprint for opportunities to provide climate-related financing.
- Continue to develop products and other innovative financing solutions to meet the needs of the climate transition.

STRATEGY

Understanding our Borrowers' Opportunities and Risks

Engaging with our Clients on their Climate Journey

As a core value, Fifth Third Bank must maintain focus on keeping our clients at the center of the work we do. That includes understanding our clients' transition opportunities and challenges, and supporting them in their climate-oriented goals. The first step in that process involved learning where our portfolio had the greatest exposure to climate-related risk and then beginning to understand those borrowers' approaches to those risks and opportunities.

The Bank used the Moody's environmental risk heat map, as disclosed in the Metrics & Targets section of our 2021 TCFD Report, to determine our areas of greatest transition risk. Those areas included our traditional energy sectors of oil and gas and power generation. With this knowledge, a client engagement working group was established, led by our Commercial Banking business. Drawing on experience in due diligence, risk analysis and a client-centered, relationship-based approach to client risk and client engagement, the working group began to assess our approach to client interaction on the topic of climate change. The group set out to find ways to understand our clients' climate-related challenges and ambitions more deeply.

The effort's initial step made use of our "One Bank" approach. This method brings our customers a unique banking experience, with dedicated relationship managers rooted in specific industries and supported by teams of experts. Within the Energy sales team, our relationship managers maintain strong relationships with their clients and have spent the time to understand what makes their clients successful and how the Bank can best support them. **Relationship managers, along with representatives from climate risk, sustainability and commercial client risk met with certain oil and gas clients in Denver, Houston and Oklahoma City.**

This direct engagement afforded representatives across the Bank the opportunity to hear from our clients about what they already are doing to address climate change, reduce their carbon emissions and manage industry transition-related impacts, as well as to hear what they expect from their financial partners to support them in this journey. We engaged in a dialogue with these clients and answered their questions about our approach.

What We Learned

Clients we spoke with were eager to share their activities to manage the environmental impacts of oil and gas exploration and production operations. These individuals live and work in the communities in and around where exploration and production occurs, and they expressed a desire to ensure the air, water and soil are sustained for generations to come. These clients were focused on efforts to reduce and eliminate methane flaring, to convert to no-leak pneumatic devices, and to move from diesel to electric or hybrid fleets, among other actions.

Some clients already are actively incorporating decarbonization solutions into their operations and have both short-and long-term goals to reduce emissions. Some members of the industry, like in banking, are also developing ways to measure actual emissions, in some cases continuously. Some are evaluating third-party groups that support emissions monitoring and provide certifications to improve accountability and receive benefits for the climate-focused work they are doing. Although the depth and sophistication of their climate transition journeys varied, each client had a story to tell, and, importantly, each was engaged in a sustainable transition.

This model of direct client engagement with a select number of our oil and gas clients provided a great opportunity for our climate, sustainability and first-line client risk functions to understand the oil and gas business and the strategies of these operators to reduce their carbon emissions, and for Fifth Third to communicate how we will partner with our clients to ensure continued success on their climate journey. It organically demonstrated many of the Bank's core values to work as one bank, provide better solutions, continuously manage risk and build a stronger community.

Our success in direct client engagement provided a foundation upon which to build and expand our ongoing client support and measures of success. **In maintaining our commitment to thoughtful, strategic execution, we have begun to build out a client opportunities and risk assessment ("CORA") with our oil and gas and power generation clients as the initial target client base.** We partnered with Ceres to create the first draft of this assessment to compare various areas of impact, including climate.

We intend to use this assessment internally to challenge whether we are obtaining the right information to measure opportunities and risks over time; to improve our client and portfolio management strategy. We hope the initial assessments establish a baseline of client data that allows us to challenge our assumptions and understanding and to improve our climate-related opportunities and risk integration. This is a long and complex journey, with many, multifaceted layers to untangle. We want to get it right.

It is with this deliberate intent that we will create the optimal model of client engagement, client support and continuous measure of success in order to be the one bank that people most value and trust.

Part of our approach to managing climate-related opportunities and risks is the acknowledgement that a transition journey is just that: an ever changing and sometimes nonlinear path toward a goal. The journey toward a lower carbon future is not achieved by simply stopping the financing of traditional oil and gas exploration and production. Supporting sustainability is also not about just continuing our growth in the renewables space. The Bank brought these teams together under our Energy sales team to ensure the cooperative alignment of our lending.

What's Next

- Expand use of CORA, the client opportunities and risk assessment, to prioritize the collection and analysis of our borrowers' exposures to climate risks.
- Provide support and education to our clients and relationship managers to support borrowers' transition efforts to more climate-resilient operations.
- Use CORA to evaluate decarbonization opportunities with our energy and power borrowers.

STRATEGY

Managing our Climate-related Risks

Building Toward Decision Useful Climate Data

In 2022, Fifth Third both used internal data in new ways and explored new external data and capabilities. 2022 was a year of beginning to explore how these can be useful in climate risk and in setting the stage for decision-making.

In 2021, the Bank ran pilot evaluations using First Street Foundation flood data. Since then, we have begun to explore uses of the full suite of First Street Foundation data on hazards: flood, wind, wildfire and heat. We have coordinated with internal teams including Mortgage and Business Continuity to begin to discover how this data can inform disaster preparation and response. We plan to continue this evaluation to be able to plan for and respond better to customer, community and employee needs during these events.

As use cases expand, we recognize that the risks related to the data and associated business decisions can also increase. We plan to evaluate current risks and controls for this data and determine approach for enhancements. We also plan to continue to explore opportunities to obtain more high quality data, such as data directly from clients. This is especially important in the area of emissions. To date, Fifth Third already has made enhancements to client review processes to capture more data directly from a targeted set of clients.

In 2022, we identified existing key risk indicators that can inform changes in climate risk levels and provide areas of further investigation. We plan to continue these efforts and expand areas where data can be further categorized to build climate-specific metrics to directly inform understanding of climate risk levels.

Leveraging Moody's Environmental Risk

As we shared in our 2021 TCFD report, the Bank has focused on exposures aligned to the Moody's environmental risk heat map to climate-related credit risk to engage clients and guide areas of focus. Through those engagements, detailed in the Strategy section, we learned much about the clients' actions and priorities and developed a more holistic view of their residual risk. We recognize that continuing to monitor exposures aligned to this methodology is an important internal tool and believe it is important to make these exposures transparent through disclosures such as this. Therefore, we have provided the current exposures in this report.

Changes in exposures year over year show that the Bank is focused on supporting a sustainable transition through expansion of power generation-project financing, specifically for renewable power, while recognizing and meeting energy needs in a challenging geopolitical situation through financing of traditional oil and gas production. As the globe continues to face rising heat risks, fulfilling the demand for energy will remain critical. Electrification is working toward advancement in reliability, size and scale, and traditional fuel sources play a role in ensuring demand is met as technologies mature.

According to Moody's, coal mining and coal terminals face transition risks such as decrease in demand. The Bank has reduced its risk in this area and maintains a very small portfolio in this sector. Inherent credit risk levels in independent oil and gas exploration and production, as well as refining and marketing, are impacted by increasing regulation and strict requirements on carbon emissions. Through our pilot engagements, we can see this subset of our clients are managing through these well; they are taking strategic actions and have strong ESG strategies in place to meet the higher standards to which the industry has been held for many years.

Exposures (Millions)					Moody's Climate Inherent Credit Risk Rating	
Sector	Total $ Exposure	% of Total Exposure to C&I Portfolio	Total $ Funded	% of Funded Exposure	Transition	Physical
Airlines	346	0.24%	107	31.05%	High	Mod
Automobile Manufacturers	383	0.27%	165	43.01%	High	Mod
Chemicals	1,685	1.18%	1,005	59.60%	High	High
Coal Mining & Coal Terminals	47	0.03%	6	12.06%	Very High	High
Environmental Services & Waste Management	839	0.59%	509	60.71%	Mod	High
Mining – Metals & Other Materials, excluding Coal	684	0.48%	251	36.71%	Mod	High
Oil & Gas – Independent Exploration & Production	5,999	4.20%	3,198	53.32%	Very High	Mod
Oil & Gas – Midstream Energy	688	0.48%	209	30.47%	High	Mod
Oil & Gas – Oilfield Services	636	0.45%	293	45.98%	High	Mod
Oil & Gas – Refining & Marketing	992	0.70%	472	47.59%	Very High	High
Ports	125	0.09%	108	86.65%	Mod	High
Power Generation Projects	2,717	19.00%	1,676	61.70%	Mod	High
Property, Casualty & Reinsurance	1,510	10.60%	360	23.81%	Low	High
Protein and Agriculture	2,348	16.50%	1,554	66.17%	High	High
Shipping	241	0.17%	183	75.81%	High	Mod
Steel	1,547	1.08%	579	37.44%	High	Mod
Surface Trans. & Logistics	2,453	1.72%	1,435	58.52%	High	Mod
Unregulated Utilities & Power Companies	1,589	1.11%	192	12.09%	High	High
Totals	**23,240**	**16.28%**	**12,110**	**8.62%**		

■ Very High ■ High ■ Moderate ■ Low

We also recognize that the methodology is sector-, not borrower-, specific and is a gauge of inherent risk, not reflective of actions by specific clients or the Bank to manage that risk. For this reason, we plan to continue to use the heat map to inform areas of focus and investigation. As we continue to expand our client engagement efforts and our client opportunities and risks assessment, we will use the risk levels and exposures to guide our focus.

In 2022, the Bank used these exposures to guide engagement with clients in the independent oil and gas exploration and production sector. These conversations have laid the groundwork for improved data and relationship engagement as described in the Strategy section of this report. These exposures also have guided development of initial climate-specific metrics. These metrics monitor fluctuations in exposure to carbon transition risk and physical climate risk and are reported quarterly through our Climate Risk Council and other governance routines. These metrics drive additional conversation to understand impact on risk levels.

To drive further adoption of the heat map, we conducted sessions with Moody's Investor Service and Moody's Analytics. Through these sessions, experts across risk types, commercial relationship managers, internal audit, and representatives from the sustainability office further explored the factors driving the risk ratings and how the heat map can be used to expose opportunities with clients.

The Bank is currently exploring opportunities to further integrate the Moody's carbon transition and physical climate risk ratings.

Scenario Analysis

In 2022, the Bank completed scenario analysis for both physical and transition risk using Intergovernmental Panel on Climate Change aligned scenarios.

The Bank completed both transition risk and physical risk climate scenarios in addition to creating a climate risk scenario analysis framework that describes the Bank's approach to identifying business risk, driving climate risk disclosures and supporting greenhouse gas emissions target development. The framework calls for climate risks to be analyzed through the lens of the existing risk types identified in the Bank's Enterprise Risk Management Framework. This is key as climate risk is a transverse risk and has broad implications. The climate risk scenario analysis framework outlines the process for completing an analysis, key definitions, and responsibilities. Each scenario leverages stakeholders with expertise in risk areas, line of business management, and subject matter experts.

Flood risk impact to consumer real estate portfolio

Floods can have a destructive impact on a consumer's home and well-being. In our efforts to improve the lives of our customers and the well-being of our communities, we undertook a scenario analysis to better understand the potential flood risk and impact to our consumer borrowers. Because a flood can also weaken a borrower's ability to repay loans, this analysis also gave us important risk insights.

Through use of physical hazard data provided by First Street Foundation, the Bank completed a physical risk scenario analysis evaluating flood risk across the geographic footprint of our consumer real estate portfolio. We also analyzed the intersection of flood risk and low- to moderate-income areas in order to better understand who is at risk and how to maintain our commitments to the community.

Key lessons:

- Conventional flood mapping from FEMA does not account for all types of flooding or property-specific characteristics.
- Flood risk extends beyond FEMA flood zones. Borrowers outside of these zones may not maintain flood insurance.
- Flood modeling leveraged for our analysis revealed potential for inland flooding.
- Significant flood events can lead to market repricing and economic volatility.

Transition scenario analysis: Net Zero 2050 and Delayed Transition

After completing our physical risk analysis for consumer loans, we shifted focus to transition risks for commercial loans. This allowed us to get a more holistic view of potential impacts to our Bank, clients, and communities through a variety of potential transmission channels.

Energy transition policies can include measures (e.g., carbon taxes or pricing schemes) to limit use of fossil fuels. These could result in higher costs for a number of industries and reduce demand for the products of energy-consuming and producing companies. The higher costs and reduced revenues cut profits and reduce the future cash flows of these companies and may result in higher loan default rates and increased losses for companies in carbon-intensive industries.

To evaluate the impact of transition risk, the Bank also conducted scenarios using ON Climate resources. The risk was analyzed over two NGFS scenarios, Net Zero 2050 and Delayed Transition, with a focus on risks to the Bank's commercial and industrial portfolio.

Net Zero 2050 is an ambitious scenario that limits global warming to 1.5 °C through stringent climate policies and innovation, reaching net zero CO_2 emissions around 2050.

Delayed Transition assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2 °C.

Using the ON Climate tool, we were able to look at the Fifth Third commercial and industrial portfolio and get insights into how borrower risks change over short-, medium-, and long-term time horizons and over the course of the two NGFS scenarios. Risk levels for some borrowers and sectors fluctuated over time due to carbon impact from policy actions, supply chain disruptions, and financial health considerations. The most carbon-intensive industries demonstrated increases in risk profile.

Key lessons:

- The direct impact to the Bank could stress credit risk metrics across several portfolios, such as oil and gas.
- Similar risks were noted across both Delayed Transition and Net Zero 2050, but the timeline for realization is 20 years versus 30 years respectively.
- Equipment, occupancy, insurance and vendor costs could rise.

Climate Risk Scenario Analysis in Action

The flood analysis on consumer mortgages and transition analysis on commercial and industrial lending has supported enhanced understanding and identification of climate risks, especially how each risk may materialize over short-, medium-, and long-term time horizons. The flood analysis enabled internal conversations and industry engagement on the topics of climate opportunity, homebuyer education, and affordability. The transition analysis has informed elements within our CORA and deeper quantification of potential impacts from transition risk. We believe that scenario analysis is a strong risk management tool. Regulators across the globe have established principles and conducted large-scale exercises to analyze climate risk through scenario analysis and related activities. As climate risk management matures at Fifth Third, we are taking into consideration regulatory principles and the lessons learned from our internal analyses within our roadmap of activities.

What's Next:

- Mature assessment and scenario analysis to deepen evaluation of how climate change could impact our loans, products, services and operations.
- Further integrate climate-related regulatory principles into risk management practices.
- Improve the quality of data used in the analysis of climate risk and broaden IPCC and NGFS pathways being evaluated.

Feature:

Fifth Third Receives Model Risk Manager Award from Celent for Climate Change Risk Assessment

In March 2023, Fifth Third was recognized by Celent as a winner of a Model Risk Manager award for Responding to Emerging Risks, specifically climate change risk assessment. Celent is a global research and advisory firm for the financial services industry.

Celent's annual Model Risk Manager Awards recognize the best practices of technology use in different areas critical to success in identifying and managing risk. Nominations are submitted by financial institutions and undergo a rigorous evaluation process by Celent analysts. Celent evaluates submissions on three core criteria: the degree of innovation, technology or implementation excellence, and demonstrable business benefits.

External and internal pressures from a changing regulatory landscape to investor expectations make climate risk assessments imperative. One of many areas of attention for banks is the impact of transition risk on credit risk. Celent recognized Fifth Third as one of the early movers in measuring and monitoring transition risk's impact on its commercial loan portfolio, earning it a Model Risk Manager award.

"Fifth Third is actively integrating climate risk into our ERMF and planning for scenarios that reflect climate change. We have integrated solutions that are enabling our Company to develop a strategy not only to manage risk but also to improve transparency around the Bank's emissions across our portfolios."

-**KEVIN QUATMAN**, Senior Director of Climate Risk

STRATEGY

Reducing our Impacts on the Climate

Continuing to Reduce and Offset Carbon Emissions

Fifth Third has been focused on emissions reduction for years. As an organization, we are now offsetting as much carbon dioxide from the environment as we emit, which includes emissions related to all of our buildings (including data centers), corporate vehicles and business travel. In terms of greenhouse gas accounting, this includes all Scope 1 emissions, all Scope 2 emissions and Scope 3 business travel emissions. This was achieved by reducing our corporate carbon emissions, purchasing 100% renewable power and buying verified carbon offsets from projects within our Consumer Bank footprint to address our remaining emissions.

Fifth Third recognizes the importance of reducing its corporate emissions and has reduced our Scope 1 and 2 emissions by 50% since we began measuring in 2014. While we recognize there is debate on the role of carbon offsets in the long-term transition to a lower carbon economy, we believe they play a role in supporting our customers and communities in the short term. When evaluating potential projects, Fifth Third's criteria include ensuring the project is registered with a leading carbon registry, independently verified, aligned geographically with the Bank's footprint and timed with the emissions that are being offset, all in accordance with industry best practices.

The carbon offsets for Fifth Third's 2022 emissions were purchased from two projects in partnership with ClimeCo, a leading global environmental credit project developer. The majority of carbon offsets were from a project of one of our commercial clients, **A-Gas, a world leader in the supply and lifecycle management of refrigerants** and associated products and services. A-Gas Americas is headquartered in Bowling Green, Ohio.

The project involves the recovery, reclamation, recertification, resale and reuse of AHRI 700 certified hydrofluorocarbon refrigerants to service and recharge refrigeration and air conditioning equipment in the U.S. Using reclaimed HFCs avoids future production of virgin high global warming-potential HFCs and subsequent emissions.

"For over 30 years, A-Gas has delivered products and services to help our customers worldwide move to more environmentally friendly products and processes," said Brian Anderson, vice president of finance at A-Gas US. "We are proud to protect and enhance the environment while assisting Fifth Third to maintain carbon neutrality through our complete lifecycle refrigerant management."

Similar to 2021, a portion of the Bank's carbon offsets were acquired from Ascend Performance Materials for a project in Florida that reduces greenhouse gas emissions at an adipic acid plant through the installation of a new absorption column that destroys N_2O emissions above the baseline destruction rate that would otherwise have been vented to the atmosphere.

Fifth Third Bank Installs Solar Panels at Financial Centers

Fifth Third completed solar panel installations at five of its financial centers in Florida early in 2023. The installations mark the first time that Fifth Third has added solar panels to its own properties. The installations were led by SEM Power, a veteran-owned business headquartered in Tampa, Florida. Together the five locations are expected to generate more than 200,000 kilowatt hours of renewable power annually (covering more than 80% of annual electric needs at some locations).

The financial centers include:

- **Lely Financial Center in Naples.**
- **University and Tuttle Financial Center in Sarasota.**
- **Englewood Financial Center in Englewood.**
- **Stickney Point Financial Center in Sarasota.**
- **Estero Financial Center in Estero.**

"These solar installations will meaningfully increase the amount of renewable power on the Florida power grid and take another step to address the growing challenges posed by climate change," said Jeremy Faust, Fifth Third's director of environmental sustainability. "We are grateful for the collaboration with SEM Power and to be able to make this sustainable enhancement to five of our Florida locations on behalf of our customers and the local community."

"SEM Power is proud and honored to provide solar power for Fifth Third Bank on its branches in Florida," said Scott McIntyre, commercial division senior vice president at SEM Power. "We salute the Bank for its commitment to continually lower its carbon footprint and increase its use of renewable power."

Expanding Disclosures of Scope 3 Emissions Categories

In 2021, Fifth Third began measuring other Scope 3 emissions categories that are considered relevant to Fifth Third, including all the other upstream categories. Reporting on each of these categories demonstrates Fifth Third's commitment to transparency and the broader impact of our products and services and to the potential to drive further emissions reduction. We are evaluating and preparing our emissions reporting in preparation for any future jurisdictional greenhouse gas disclosure requirements. We recognize the largest driver of our indirect emissions is our investments. The Bank committed to measuring and disclosing its financed emissions prior to the emergence of disclosure rules.

In March 2021, Fifth Third joined the Partnership for Carbon Accounting Financials to collaborate with peers and contribute to the development of PCAF's standard for various financial asset classes. As an early member of PCAF, Fifth Third's credit risk team began developing our internal processes to use PCAF data that could be applied to our financial portfolio. This work has become a key focus of our credit risk team with oversight from the Climate Risk Council. This data will help inform our future climate strategy and will demonstrate our commitment to supporting our clients and communities in the transition to a more sustainable future. We recognize we are still in an early phase of our financed emissions implementation.

Launched globally in 2019, PCAF is a global partnership to develop a global carbon accounting standard for the financial sector, enabling a harmonized approach to the assessment and disclosure of financed greenhouse gas emissions. The standard is aimed at reducing inconsistencies in carbon accounting methods, fairly allocating the emissions of companies to financial institutions based on their share of the financing, and helping the financial sector facilitate a transition to decarbonization in line with a 1.5° increase in global mean temperature from pre-industrial levels.

Measuring financed emissions is a key metric in assessing our climate risk and enabling development of net-zero aligned business strategies. By doing so, we will derive better insight into the carbon intensity of our lending portfolios.

Data Challenges for Calculating Financed Emissions

In 2022 a cross-function team began calculating and evaluating the baseline emissions for our energy and power portfolios. We calculated these figures both according to PCAF methodology (using funds outstanding) and using total funds committed. We also worked with multiple third parties to explore availability of reported emissions data from the loans in scope.

Availability and quality of data continue to be major limiting factors in our financed emissions activities. Much of the raw data used in our analyses is still based on estimated or unverified figures. Despite these limitations, Fifth Third is committed to transparency to our stakeholders, to plan using the best information available to date and to advance our data improvement work. This may require adjustments to prior disclosures and changes to our methodology and strategy as additional data becomes available. Some of the data challenges are discussed in more detail below:

- Data Sources: Currently, there is no single, global, cross-sector data provider that adequately and consistently covers our needed scope for data to analyze emissions across our loan portfolios. Over the past few years, we have researched and engaged with certain third-party vendors to supplement existing data to meet specific needs. Through a pilot exercise with certain third-party vendors, we determined the existing external data sources available today did not meet our internal needs and expectations regarding our portfolio, given our portfolio includes small to medium-sized, often privately owned customers.
- Data Scores: Fifth Third follows PCAF guidance for estimating a data quality score based on the source of emissions and financial data. Data scores range from 1 to 5, with 1 being the highest score for disclosed and verified emissions. A limited number of our clients reported actual emissions data for Scope 1 and 2, or Scope 3, with none representing verified (i.e., audited) data. Without client specific data, the sector level estimates can result in inaccurate estimations of client emissions. We are continually working to improve the data that we use, which will in turn refine the results we report in any future disclosures.
- Volatility: Important variables create year-to-year volatility in reported figures and distort meaningful analyses of client decarbonization progress. These can include equity market volatility, transitory spikes or falls at year-end in committed client capital, transitions from estimated to verified data and a

client's own reporting consistency or cadence. An example includes material equity market value fluctuations in the enterprise value of public companies, which may impact Enterprise Value including Cash, and subsequently, the results of PCAF calculations.

2030 Operational Sustainability Goals

Operational sustainability, the reduction of our own environmental and carbon footprint, has been key to our environmental sustainability program since its inception in 2010.

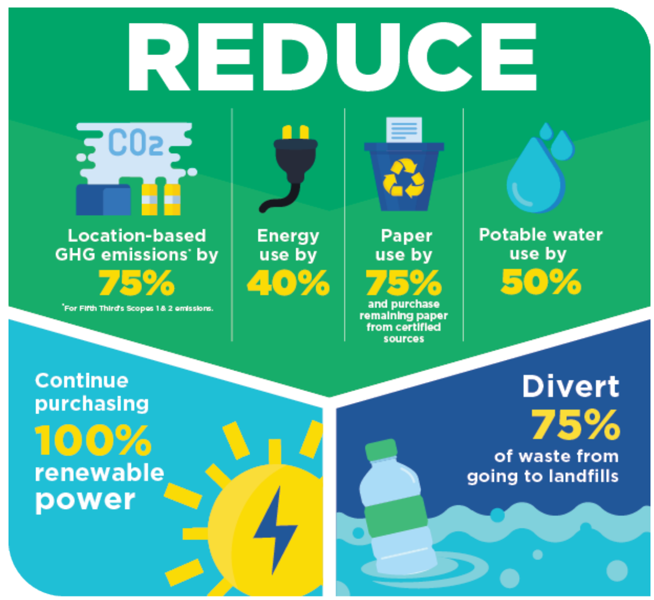
Operational sustainability is a foundational element of sustainability. Through addressing our own climate impact, we prepare our own organization better for future changes by reducing our exposure and risk to decarbonization, energy market volatility and potential carbon pricing scenarios.

Further, by building our own sustainability and climate mitigation activities, we understand better the needs and challenges that our customers and broader stakeholders face.

Fifth Third established its first set of climate-related metrics in 2017 with a commitment to achieve five bold sustainability goals: to purchase 100% renewable power, to reduce energy use and greenhouse gas emissions by 25%, and to reduce water use and waste sent to landfills by 20%. We sought to accomplish each of these goals by 2022.

These goals represented Fifth Third's commitment to reducing its operational impact and building our ability to achieve key sustainability milestones. By the end of 2022, we were to proud to have achieved all of these bold goals.

Building upon this work, in 2022 we adopted a new, more aggressive set of operational sustainability targets to be achieved by 2030. These new goals continue our focus on critical areas of operational sustainability and demonstrate continued leadership in the financial services industry.



What's Next:

- Complete our PCAF commitment in 2024 with a disclosure of our estimated financed emissions for commercial lending.
- Continue to build out the baseline calculation of the Bank's GHG emissions with the expansion of financed emissions across all relevant asset classes to align with emerging regulations.
- Through the Bank's commercial line of business, actively engage and encourage our clients to measure, report and verify their GHG emissions.

STRATEGY

Stakeholder Engagement

Industry Engagement

Ceres

In May 2021, Fifth Third joined the Ceres Company Network, becoming part of a network of companies committed to the transition to a sustainable, low-carbon future.

Partnership for Carbon Accounting Financials

Fifth Third is using client engagement to collect voluntarily disclosed emissions from customers and systematically centralize PCAF data points to improve the accuracy and decision usefulness of financed emissions. This work has become a key focus for Fifth Third. This data will help inform our future climate strategy and will demonstrate our commitment to supporting our clients and communities in the transition to a more sustainable future.

Trade Groups and other financial institutions

Collaborating with peers is an important part of our climate risk strategy. Together our subject matter experts can share best practices and gain additional insight into climate-related risk areas affecting banks. Our trade groups have facilitated conversations with regulatory leaders and outside experts, and we look forward to continued participation.

Feature:

Fifth Third Participates in Industry Panel at Ceres Global Conference

Fifth Third's senior director of climate risk, Kevin Quatman, spoke at Ceres Global held in New York in March 2023. Quatman spoke alongside other banking leaders on how Fifth Third engages clients on their climate transitions. The session, "Bank Client Engagement: Views from Banks and Borrowers," focused on how banks are enhancing their engagement with clients for the transition to a sustainable future. The speakers discussed what client engagement for banks is like and what strategic collaborations can be initiated.

Photo credit: Diane Bondareff

Employee Engagement and Education

Fifth Third employees are critical stakeholders in the development of climate risk management. Increasing climate-related knowledge among employees is integral as the Bank builds out the frameworks supporting initiatives and commitments such as scenario analysis, financed emissions and client engagement. Having employees across the enterprise with climate competencies will allow risk identification and management at all levels in the organization. Identifying and responding to physical and transition risk requires both a top-down approach from management and a bottom-up approach from employees.

Degreed Pathways

The Bank introduced two climate-related education pathways through Degreed, a digital learning platform. The first pathway provides a broad overview of climate risk, aimed at the broadest audience to convey key concepts to employees and educate them on climate-related disclosures. The second pathway covers climate risk scenario analysis and is key to enabling individuals to participate in the exercises. This pathway includes content on NGFS, tools for scenario analysis, and roles and responsibilities.

Sustainability Enterprise Business Resource Group

Since the creation of the Sustainability Enterprise Business Resource Group in August 2022, more than 1,000 employees have joined, and many participate in our employee development, community involvement and business innovation initiatives. This companywide BRG provides a point of connection between Bank sustainability strategy and the personal interest areas of employees.

The Sustainability EBRG has hosted sessions on a broad range of topics, including climate change. In one such session, Climate Risk Office representatives educated BRG members on physical and transition risks and connections to sustainability.

As a celebration of the 53rd anniversary of Earth Day, the BRG hosted Hal Harvey, a Fifth Third Board member, founder of Energy Foundation and ClimateWorks, and author of "The Big Fix." Harvey shared his perspectives on economic and policy drivers of the transition toward a lower carbon economy, including the physical and transition risk impacts across the world as well as Fifth Third's role in supporting the transition.

Risk Management

Progress Highlights:

Our efforts to identify, monitor and manage climate-related risks continue to evolve. Since our 2021 report, we have:

- Established frameworks for scenario analysis and financed emissions.
- Established a first set of quantitative measures for climate emerging risk monitoring.
- Began a pilot of a client opportunities and risk assessment to improve our climate-related opportunities and risk integration within the Commercial line of business.
- Integrated climate-related risk considerations into the Bank's strategic initiatives risk assessment process.
- Incorporated climate risk enhancements by risk type to the Enterprise Risk Management Framework in alignment with regulatory principles.

Climate risk management is one aspect of a more holistic risk management framework. Our risk management process ensures a consistent and comprehensive approach to how we identify, measure and assess, manage, monitor and report risks.

We also have established processes and programs to manage and report concentration risks; to ensure robust talent, compensation and performance management; and to aggregate risks across the enterprise. Accountability for managing risk is driven through a three lines of defense structure, as outlined in our Sustainability report.

Fifth Third's eight risk types are:

- Credit risk.
- Liquidity risk.
- Interest rate risk.
- Price risk.
- Operational risk.
- Reputation risk.
- Strategic risk.
- Legal and regulatory compliance risk.

RISK MANAGEMENT

Risk Identification and Assessment

Climate-related considerations were first included in our Enterprise Risk Management Framework in 2017 through environmental and social risk oversight. In 2022, we developed a climate risk scenario analysis framework and continued to explore incorporating climate-related risks into existing risk management frameworks.

The Enterprise Risk Management Framework identifies that **climate-related risks can arise from the impact of extreme climatic events and human efforts to address environmental and climate challenges**, including changes in public policies, technology breakthroughs, shifts in investor or public sentiments, and disruptive business model innovations.

The Bank has classified these risks as physical and transition risks.

Climate-related risks were first tracked in March 2018 as "emerging" and are captured in the Bank's quarterly risk profile, which is reported through management-level and Board risk committees. A "Watch/Emerging Risk" is a risk (i.e., "inherent risk") that, if materialized or uncontrolled, may cause an adverse impact to the front-line units or to the Bank's risk profile and achieving the organization's goals and objectives. Quantifying and assessing climate-related risks continue to pose challenges due to limited data and other uncertainties. Given the transverse elements of climate-related risks, they are not managed as a singular risk type but rather as risk that could create impacts across all eight risk types.

As described in the Governance section of this report, **the climate risk officer provides oversight of risk management practices for effective aggregation of climate risk across the first and second lines of defense**. Management-level councils and committees provide direction on risk management activities to effectively identify, assess and manage climate risk across their respective areas of oversight. Each of the Bank's primary risk experts is responsible for maintaining appropriate policies, standards, controls and reporting to manage the impact of climate change to the Bank.

Since 2017, the Bank has used the Moody's Environmental Risk Heat Map to evaluate the inherent credit risk of our commercial lending sectors. With this analysis, the Bank tracks exposures on a quarterly basis and implements any risk rating changes from the Moody's methodology. These exposures are reported through the Climate Risk Council.

In 2022, we implemented our climate risk scenario analysis framework. With this framework, the Bank conducted exploratory analyses of physical and transition risks across multiple timeframes. These scenarios were supported by First Street Foundation and ON Climate for physical and transition risk, respectively. More about scenario analysis can be found in the Strategy section above. First Street Foundation flood data was employed to understand risk to our owned and serviced residential mortgages and how that risk compares to FEMA-designated flood zones. The Bank used ON Climate to evaluate the potential impact of transition risk on the commercial and industrial portfolio according to scenarios from the Network for Greening the Financial System. The Bank's climate risk scenario analysis framework is approved by the ERMC.

In 2023, the Bank implemented a financed emissions framework. This outlines the uses, oversight, calculation and disclosure of financed emissions for Fifth Third Bank. Internally, for scenario analysis, we applied financed emissions values generated using ON Climate tool's proprietary model for calculating financed emissions. For any future disclosure of financed emissions, the Bank will use its own internally generated calculations accompanied by a calculation methodology. It is our aspiration for the benchmarking to reduce any financed emissions will be executed under the scenario analysis framework to ensure the appropriate oversight and model validation testing of underlying calculations. The Bank is actively working to build out these capabilities as discussed in the Strategy section.

Climate risk integration also extends to established risk management practices at the Bank.

Our front-line units and other support functions are responsible for implementing risk and control frameworks in alignment with defined tolerances and risk appetites and with adherence to risk management practices defined in the Enterprise Risk Management Framework. The Bank's Climate Risk Council provides oversight of climate risk reporting and trends to inform risk assessment and aggregation.

As we continue to improve our data, measurement and scenario analyses, updates will be incorporated into the Enterprise Risk Management Framework and processes, which may include revisions to risk appetite statements or metrics.

Climate-related risks are challenging and will require continued evolution in data and modeling capabilities. The Bank is focused on understanding how these risks could be coordinated and incorporated into all eight existing risk types through a centralized climate risk program.

"The Bank has made significant strides since we first began tracking climate-related risks in 2018. We remain focused on evolving how we identify, monitor and manage these risks."

-Carrie Lichter, Climate Risk Officer

RISK MANAGEMENT

Management of Climate-related Risks

Transition and physical risks from a changing climate will manifest in many ways and are driven by many factors, including adaptation and mitigation efforts to slow the increase in average temperature. The Bank defines the climate-related time horizons as short, medium and long-term.

- Short: Operating planning, less than one year.
- Medium: Strategic planning, between one and five years.
- Long: Climate scenario planning, more than five years.

In 2022, we used outcomes of climate risk scenario analyses to inform maturity of climate risk identification and management. These outcomes broadened our understanding of the interplay between climate risk and our eight risk types as well as how these risks may develop over these timeframes. This also enhanced management of our climate watch/emerging risk and integration into our Enterprise Risk Management Framework. We continue to use risk analyses and industry insights to further the evolution of our understanding and management of climate-related risks across all risk types.

Risk Type	Definition	Physical Risk Examples	Transition Risk Examples	Time Horizons*
Credit	Risk to current or projected financial condition and resilience resulting from the failure of a borrower or counterparty to honor its financial or contractual obligations to the Bank.	Diminished ability to pay due to loss of income or devalued assets resulting from extreme weather events or long-term climate changes.	Decline in financial health within susceptible industries as a result of the global governmental and economic shift toward a lower-carbon economy.	Short Medium Long
Liquidity	Risk to current or projected financial condition or overall safety and soundness due to the inability (or perceived inability) to meet obligations when they come due.	Deposit runoff to fund recovery from significant adverse weather events.	Shift toward a lower-carbon economy could prompt changes in the liquidity risk profile and contingent liquidity exposures.	Medium Long
Interest Rate	Risk to earnings or capital arising from movement of interest rates. Movements in interest rates cause changes in the profile of assets and liabilities as interest rates fluctuate.	Changes in the time horizon of principal and interest cash flows from assets due to significant adverse weather events.	Demand for banking products and services changes in response to climate-related societal changes, changing the profile of the Bank's balance sheet and earnings sources.	Medium Long
Price	Risk to earnings or capital arising from changes in the value of financial instruments and portfolios due to movements in interest rates, volatilities, foreign exchange rates, equity prices and commodity prices.	Adverse weather events, such as hurricanes and ice storms, causing more frequent energy supply disruptions, affecting prices and volatility of related commodities.	Lower-carbon transition impact on commodities may cause inflationary pressures which could further impact the direction and volatility of interest rates.	Short Medium Long

Risk Type	Definition	Physical Risk Examples	Transition Risk Examples	Time Horizons*
Operational	Risk to current or projected financial condition and resilience arising from inadequate or failed internal processes or systems, human errors or misconduct, or adverse external events.	Sustained operational disruptions due to acute weather events damaging or disrupting the operations of facilities.	Increased costs for building and operating climate-resilient facilities.	Short Medium Long
Reputation	Risk to current or projected financial condition, resilience or brand health arising from negative public opinion.	Stakeholder scrutiny due to the inability to provide timely support to customers and employees impacted by extreme weather events.	Negative public perception for lending exposures in carbon intensive sectors, industries impacted by transitions or the Bank's financed emissions performance.	Short Medium Long
Strategic	Risk arising from adverse business decisions or improper implementation of those decisions that could result in negative impacts to long-term earnings, capital sufficiency, resiliency or competitive position of the Bank.	Flawed assumptions or poor strategy execution in geographies with increasing exposure to acute and chronic severe weather or sea-level rise.	Untimely adjustments to the Bank's strategy in response to changes in regulatory requirements and shifting markets.	Short Medium Long
Legal & Regulatory Compliance	Risk of legal or regulatory sanctions, financial loss or damage to reputation as a result of noncompliance with applicable laws, regulations, rules and other regulatory requirements, internal policies and procedures, standards of best practice or codes of conduct, and principles of integrity.	Inability to meet compliance timelines or requirements due to business disruptions from acute weather events.	Difficulty implementing new climate-related regulations on bank disclosures, operations or activities.	Short Medium Long

Physical Risks

Physical risks from a changing climate 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 and desertification**. The Bank has taken several steps to understand better the effects physical risks could have on our business and operations.

Transition Risks

Moving to a lower-carbon economy involves energy transition policies, disruptive technological advancements (including clean energy development and storage), shifts in consumer and investor preferences, or other disruptions to legacy business models. As companies, whether clients or third-party suppliers, adapt to potential new regulations to reduce carbon emissions, that **transition could affect their overall financial health or business model, which could lead to potential credit and operational impacts to the Bank**. Transition and physical risks from a changing climate will manifest in many ways and can be driven by many factors, including adaptation and mitigation efforts to slow the warming of the average temperature increase.

Operational Risk — Hurricane Ian

The increasing frequency and severity of events, such as hurricanes, present risk to business operations. On Sept. 28, 2022, Hurricane Ian made landfall in Florida. Fifth Third worked to prepare for the anticipated weather and responded quickly in its aftermath to assist customers, employees and the community. Our colleagues jumped in to support our communities and each other, making 90,000 customer wellness calls.

The Bank's Enterprise Workplace Services team promptly assessed 147 Fifth Third financial centers for physical damage and accessibility. **Within 48 hours, 95% of the branches were ready to open, pending available power. Within 72 hours, the remaining 5% opened to serve customers.**

Through Hurricane Ian, Fifth Third demonstrated resilience to climate-related physical events. This resilience is a product of strong risk management and business continuity practices.

Metrics and Targets

Progress Highlights:

Since our 2021 report, we have expanded our goals and continue to report our progress against them.

- Achieved $8 billion sustainable finance goal and announced a 10-year, $100 billion environmental and social finance target through 2030.
- Announced new operational sustainability targets to be achieved by 2030.

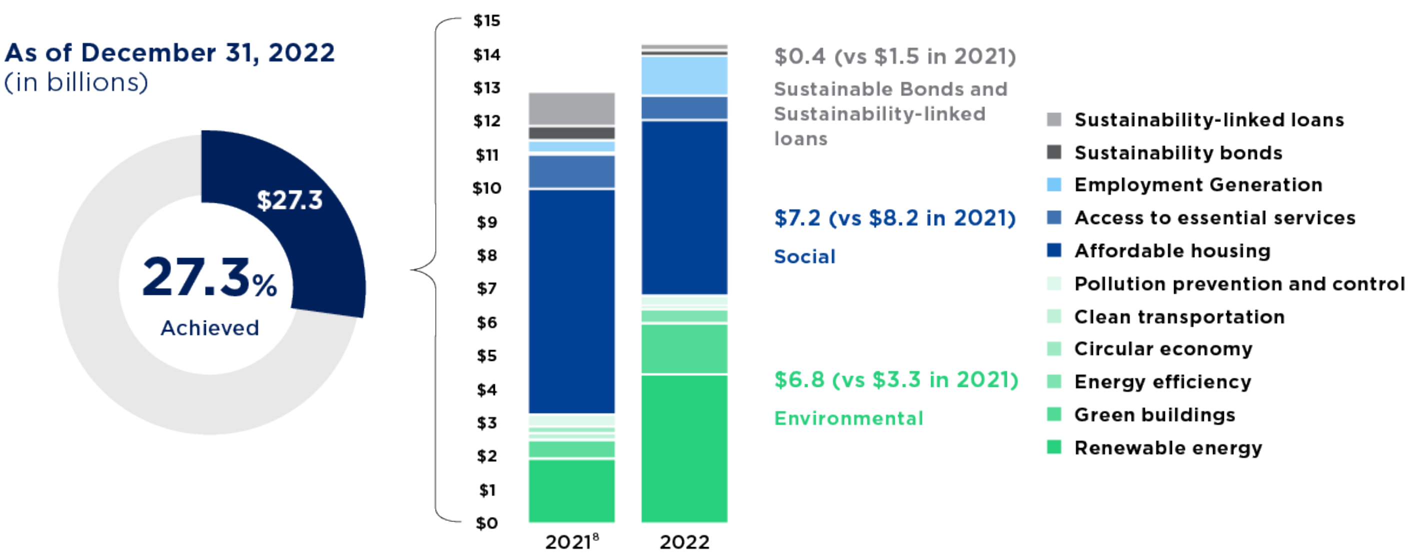
Robust metrics and strategic targets help Fifth Third align with internal goals and measure success. These metrics also provide benchmarks for external stakeholders seeking to monitor Fifth Third's efforts to assess and mitigate climate-related risks.

Sustainable Finance Target Progress

In 2022, Fifth Third provided more than $6 billion in sustainable financing under environmental eligibility criteria. These services have helped lead to the completion of more than 1,000 renewable energy projects across 41 states.

Our eligible environmental financing activities in 2022 included nearly $200 million in pollution prevention and control loans, more than $160 million in fully-electric vehicle loans, more than $42 million in electric forklift leasing, more than $1.5 billion in green building financing, and nearly $3 billion in lending for renewable energy and energy efficiency projects.

In 2022, Fifth Third provided over $14 billion in sustainable financing under both environmental and social eligibility criteria.



METRICS AND TARGETS

Operational Sustainability Targets

Operational sustainability is a foundational element of sustainability and climate risk management.

Our goals reflect our commitment to managing our own operations efficiently and showing leadership with the processes and activities that we most closely control.

In 2022, Fifth Third announced six new operational sustainability targets to be achieved by 2030. These targets build upon the Bank's initial five goals, set in 2017, which established the foundation for Fifth Third to reduce the environmental impact in its own operations. The 2017 goals were to purchase 100% renewable power and to reduce its energy use, greenhouse gas emissions, water use and waste sent to landfills by 2022.

Fifth Third's new targets for 2030, along with the change from the original goals, are:

- Continue to purchase 100% renewable power (achieved since 2019).
- Reduce location-based GHG emissions1 by 75% (previously 25%).
- Reduce energy use by 40% (previously 25%).
- Reduce potable water use by 50% (previously 20%).
- Divert 75% of waste from going to landfills (previously 20% waste reduction goal).
- Reduce paper use by 75%.

Progress toward achieving these goals is verified by third parties and reported annually through the Bank's Sustainability Report and other channels. (Verification statements are available on our investor relations website.)

Since 2014, Fifth Third has reduced its location-based Scope 1 and Scope 2 emissions by 50%. Since 2020, Fifth Third has offset its operational greenhouse gas emissions with the purchase of 100% renewable power and verified carbon offsets for the remaining emissions.

METRICS AND TARGETS

Greenhouse Gas Emissions

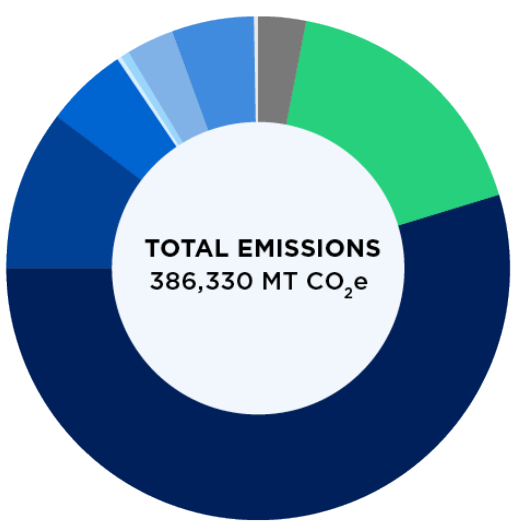
Beyond developing operational sustainability targets, Fifth Third has continued annually to calculate and report on its corporate greenhouse gas emissions.

Fifth Third uses the Greenhouse Gas Protocol methodology in calculating our operational greenhouse gas footprint. Our calculations have been independently verified by a third party since 2014. (Verification statements are available on our investor relations website.) **Fifth Third's operational greenhouse gas emissions are generated primarily through power and climate control in our buildings** (mostly using electricity and natural gas) and through business travel. Since we began measuring our emissions in 2014, we have reduced our reported Scope 1, Scope 2 (location-based) and Scope 3 (category 6, business travel) emissions by 50%. We began offsetting our Scope 2 emissions in 2010 by purchasing RECs, or renewable energy certificates, and our Scope 1 and 3 (category 6, business travel) emissions in 2020 by purchasing carbon offsets.

	Units	2022	2021	2020	2019	2018	2017	2014
Greenhouse Gas Emissions[2]								
Fossil Gas	MT CO_2e	10,357	10,538	10,983	10,803	12,100	10,715	17,936
Diesel	MT CO_2e	96	94	86	62	189	73	148
Refrigerant	MT CO_2e	56	974	1,363	1,042	477	115	587
Corporate Vehicles	MT CO_2e	11	13	8	8	6	5	N/A
Corporate Jet	MT CO_2e	1,125	860	557	1,317	1,274	1,208	N/A
Total Scope 1 emissions	**MT CO_2e**	**11,645**	**12,479**	**12,995**	**13,232**	**14,046**	**12,116**	**18,671**
Scope 2 emissions (Location-based)	MT CO_2e	65,075	64,927	72,695	79,417	91,519	94,617	134,176
Green-e Renewable Energy Certificates retired	MWh	140,992	147,048	153,164	149,408	54,000	65,000	69,589
Total Scope 2 emissions (Market-based)	MT CO_2e	0	0	0	2,108	61,380	58,315	90,052
Scope 3 emissions from employee business travel (category 6)	MT CO_2e	11,187	7,109	3,952	12,271	12,904	10,249	5,792
Total Scope 1, Scope 2 (Market-based), & Scope 3 (category 6) emissions	**MT CO_2e**	**22,832**	**19,588**	**16,947**	**27,612**	**88,330**	**80,680**	**114,515**
Verified carbon offsets retired	MT CO_2e	22,832	19,588	16,947	0	0	0	0
Net Operational GhG emissions	MT CO_2e	0	0	0	27,612	88,330	80,680	114,515

N/A = Not available
MT= Metric tons
MWh=Mega watt hours
[2] Scopes 1, 2, and 3 emissions have been independently verified. Verification statements are available in the Additional Disclosures section of ir.53.com. For 2022, carbon offsets were obtained from A-Gas HFC Project (Ohio) and Ascend Performance Materials (Florida). All carbon offsets are registered with a leading carbon offset registry and independently verified in accordance with industry best practices.

Additional Scope 3 emissions:								
Purchased goods and services (category 1)	MT CO_2e	204,470	297,277	N/A	N/A	N/A	N/A	N/A
Capital goods (category 2)	MT CO_2e	38,768	58,754	N/A	N/A	N/A	N/A	N/A
Fuel- and energy-related activities (category 3)	MT CO_2e	20,069	21,989	N/A	N/A	N/A	N/A	N/A
Upstream transportation/distribution (category 4)	MT CO_2e	716	3,060	N/A	N/A	N/A	N/A	N/A
Waste generated in operations (category 5)	MT CO_2e	2,604	3,294	N/A	N/A	N/A	N/A	N/A
Business travel (category 6)	MT CO_2e	See above	See above	See above	See above	See above	See above	See above
Employee commuting (category 7)	MT CO_2e	19,574	14,436	N/A	N/A	N/A	N/A	N/A
Upstream leased assets (category 8)	MT CO_2e	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Downstream leased assets (category 13)	MT CO_2e	577	570	N/A	N/A	N/A	N/A	N/A
Total additional Scope 3 emissions	**MT CO_2e**	**286,778**	**399,380**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**



Total Location-Based GhG Emission Profile

- Scope 1: Direct emissions
- Scope 2: Indirect emissions from purchase of electricity
- Scope 3: Purchased goods and services (category 1)
- Scope 3: Capital goods (category 2)
- Scope 3: Fuel- and energy-related activities (category 3)
- Scope 3: Upstream transportation/distribution (category 4)
- Scope 3: Waste generated in operations (category 5)
- Scope 3: Business travel (category 6)
- Scope 3: Employee commuting (category 7)
- Scope 3: Downstream leased assets (category 13)

Scope 1 covers "direct GHG emissions" from sources owned or controlled by the Company, including natural gas used for heating, refrigerants, diesel and fuels used in corporate vehicles. Since we began measuring in 2014, Fifth Third has reduced these emissions by more than 30% through investments in advanced building management controls and other changes.

Scope 2 covers "indirect GHG emissions" from purchased or acquired electricity and similar sources. Since we began measuring in 2014, Fifth Third has reduced these emissions by more than 45% through investments in LED lighting, HVAC upgrades and advanced building controls, among other changes.

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 to buy, 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. Fifth Third does not generate any Scope 2 market-based emissions as a result of its annual purchase of 100% Green-e certified RECs from renewable sources.

Scope 3 covers 15 categories of other indirect GHG emissions, such as business travel, capital goods and investments. In 2022, Fifth Third reported on the following Scope 3 emissions categories:

- Purchased goods and services (category 1).
- Capital goods (category 2).
- Fuel- and energy-related activities (category 3).
- Upstream transportation/distribution (category 4).
- Waste generated in operations (category 5).
- Business travel (category 6).
- Employee commuting (category 7).
- Downstream leased assets (category 13).

Emissions from each of these categories is included in the GHG Emissions Data Table on pages 33-34. Category 15, investments, is particularly relevant for financial institutions and includes emissions associated with loans and investments. Fifth Third is committed to measuring and reporting on these emissions. Providing this additional information will offer greater transparency to third-party stakeholders and will help us focus on those categories having the greatest impact and the greatest potential for emission reductions.

As mentioned in the Strategy section, Fifth Third will report on its Scope 3 category 15 emissions in a future report in alignment with its PCAF commitment.

METRICS AND TARGETS

Operational Sustainability Targets

Fifth Third recognizes the importance of the transition to renewable energy and has been increasing its use of renewable power since 2010.

Fifth Third has been purchasing renewable energy certificates, known as RECs, to offset our energy consumption since 2010. In 2017, Fifth Third set a goal to purchase 100% renewable power, a goal we achieved in 2019 with the opening of the 80 MWac/120 MWdc Aulander Holloman solar facility. Creation of this project was made possible through a virtual power purchase agreement signed by the Bank. By guaranteeing that Fifth Third would purchase all of the electricity generated, the agreement enabled the developer to secure funding to construct a new solar field and complete the project.[3] In return for guaranteeing to purchase the energy produced, Fifth Third receives all the RECs generated by the project. In 2022, the solar power generation from the project was more than 190,000 MWh, enough to power over 17,000 homes, or the equivalent of emissions from over 30,000 passenger vehicles.[4]

Fifth Third's percent of power from renewable sources:								
2014	2015	2016	2017	2018	2019	2020	2021	2022
31.7%	32.2%	33.6%	37.7%	32.2%	97.4%	100.0%	100.0%	100.0%

[3] Although we initially planned to retire the RECs received from this project towards out 100% renewable goal, in 2020 we began swapping these RECs with other Green-e certified RECs from other renewable energy projects in the U.S. that were retired towards our 100% renewable goal.
[4] Source: U.S. Environmental Protection Agency, Greenhouse Gas Equivalency Calculator (last updated April 2023).

Conclusion

Since publishing our first Climate-Related Financial Disclosures Report in 2019, Fifth Third continues to take significant steps to incorporate climate-related considerations into our risk management framework and to implement enhancements for the oversight of these risks.

These enhancements enable the Bank to continuously improve our identification of climate-related risks and opportunities. We recognize that supporting the transition to a lower carbon economy will help generate long-term sustainable value for our shareholders and improve the well-being of our communities.

Looking ahead, Fifth Third is focused on publishing our forthcoming financed emissions disclosure as part of our PCAF commitment; regulatory readiness by incorporating climate rules and regulations across our operations and external reporting; managing our climate-related risks by continuing to embed climate considerations into risk management practices; and supporting a sustainable transition through meeting our climate-related financial and operational commitments.

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