

**Regions Financial releases combined 2019 Annual Review and Environmental, Social and Governance Report**  
**Thursday, June 25, 2020 01:00:00 PM (GMT)**

[Regions Financial](#) (NYSE:RF) today announced the release of its combined [2019 Annual Review and Environmental, Social and Governance \(ESG\) Report](#) documenting the company's progress on initiatives that make life better for customers, associates and communities, while creating long-term value for shareholders.

"Regions' culture of continuous improvement means our teams approach their work every day committed to our mission of making life better for customers, fellow associates, communities and shareholders," said President and CEO John Turner. "We accomplish this by leaning into our strengths - strong customer relationships, attractive growth markets, top banking talent and a winning culture. Our commitment to continuous improvement also means operating in socially responsible and environmentally sound ways that make life better for all. Our 2019 accomplishments set the stage for us to achieve sustainable success through every business cycle, and I'm confident about how we are positioned to deliver value over the long term."

"Throughout 2019, the board's Nominating and Corporate Governance (NCG) Committee has diligently exercised its oversight responsibilities, particularly in the areas of shareholder engagement and ESG," said Ruth Ann Marshall, Chair of the NCG Committee. "The board believes that responsible and responsive corporate governance practices enable companies to generate consistent, sustainable, long-term performance and that enhanced disclosures provide our shareholders with a more transparent view of the company."

In addition to providing updates on Regions' business strategy and ESG initiatives, the report outlines Regions' response to the COVID-19 pandemic.

"We must hold ourselves to high standards when it comes to corporate governance, ethics and risk management, and this is particularly important when planning for and enduring a crisis, such as the COVID-19 pandemic that we are all working through," said Regions' Corporate Secretary and Chief Governance Officer, Hope Mehlman. "We believe that good governance matters, regardless of the season, and that companies with strong ESG practices will be better positioned to manage through challenges. This year's report provides an overview of how Regions has incorporated many ESG best practices and is responding to the COVID-19 pandemic by supporting our stakeholders."

Regions' top priorities throughout the COVID-19 pandemic have been to protect the health and safety of customers and associates and to provide financial access, assistance and guidance for customers, businesses and communities. The company has implemented plans to ensure all critical business operations are staffed appropriately while allowing a meaningful number of associates to work remotely. Regions limited in-person branch banking services to drive-through options or in-office appointments, enhanced facility cleaning and expanded its health benefits program to address issues specifically related to COVID-19.

To assist customers impacted by the pandemic, Regions draws from its established Customer Assistance Program and bankers who have experience working with customers through natural disasters and market disruptions to address specific needs. Other COVID-19-specific efforts<sup>1</sup> include penalty-free CD withdrawals<sup>2</sup>, a variety of fee waivers, credit card and loan payment deferrals and extensions and for a limited time suspended vehicle repossessions and residential property foreclosures. Additionally, Regions continues to assist customers by providing federally guaranteed loans for small businesses through the Paycheck Protection Program, which was established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Additional information is available at <https://region.com/coronavirus>.

The 2019 report highlights include:

### **Environmental Sustainability**

- **TCFD-aligned disclosure** – Consistent with Regions' commitment to enhancing transparency in reporting on environmental performance, the report incorporates an interim climate-related risk

disclosure aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework. The TCFD-aligned disclosure concentrates on underlying governance framework, strategy, risk management practices and established metrics and targets, with the goal of helping stakeholders better understand and evaluate how Regions assesses and manages its climate-related risks and opportunities. Regions intends to publish an expanded disclosure of climate-related risks in line with the standards promulgated by the TCFD within the next year.

- **Environmental goals** – Regions has established goals to reduce Scope 1 and 2 greenhouse gas emissions and energy use each by 30% by 2023 against a 2015 baseline. Through 2019, the company has achieved reductions of 28% and 19%, respectively.
- **Sustainable financing** – Regions continues to expand its focus on providing financing and support for renewable energy projects, with \$280 million in renewable energy lending in 2019. For example, Regions provided funding to support the development of 13 photovoltaic solar projects in rural areas across its footprint and participated in a green bond issuance for a leading utility company.
- **Green branch renovations** – In 2019, Regions began work at 12 sites using a new, more holistic approach to branch renovations, particularly regarding energy and water efficiency evaluation. Preliminary results of these renovations indicate monthly reductions in grid-based electricity by up to 58%.

## Human Capital Management

- **Diversity and Inclusion** - A strong commitment to diversity and inclusion is a core part of the company's strategy to achieve sustainable performance. In 2019, Regions hosted 10 Diversity Networks, representing more than 11,000 associates. Further, in 2019, Regions joined CEO Action for Diversity & Inclusion™, the largest CEO-driven coalition to advance diversity and inclusion in the workplace. The Talent Acquisition team partners closely with our internal Diversity and Inclusion Center of Expertise to attract diverse talent to Regions, and Regions is committed to hiring candidates with diverse backgrounds and experience.
- **Upskilling and reskilling** - The company continues to invest in career development and training. In 2019, Regions implemented additional learning solutions to help associates gain the skills they will need in tomorrow's workplace through a pilot program focused on targeted learning paths. The program is designed to strategically upskill associates by projecting the knowledge and skills the company needs and prescribing learning content for associates based on individual skills assessments.
- **Employing veterans** - Regions is committed to employing veterans and military members who are seeking opportunities in the financial services industry. In 2019, Regions launched a military transition program called [BRAVE—Building Regions Associate Veterans Experience](#), to help transitioning military service members build a successful career at Regions.
- **Employing people with disabilities** - In 2019, Regions strengthened relationships with local departments of rehabilitation by hosting a summer work program and updating the [regions.com/careers](#) page to affirm a commitment to employing people with disabilities. Regions is also leveraging automated technology that replicates job postings on state and local government disability job boards and sends them directly to disability employment contacts. Further, Regions has launched an internal campaign to encourage associates to self-disclose their disabilities in efforts to establish a baseline for future goal setting.
- **HCM Dashboard** - The Compensation and Human Resources (CHR) Committee of the board has recently implemented a Human Capital Management Dashboard (HCM Dashboard) comprised of metrics that provide information and analysis on workforce composition, workforce stability, associate engagement, learning and development, compensation, benefit and wellness program utilization and more. Through monitoring, subject-matter reviews and discussions with management, the CHR Committee assesses the effectiveness of Regions' human capital management strategies and policies and their alignment with corporate culture and long-term strategic priorities.

## Corporate Governance

- **Rooney Rule** - Regions' board adopted changes to the Corporate Governance Principles in 2019 that include a specific focus on seeking out diverse candidates when searching for a new director, often described as the Rooney Rule. This practice has also been adopted as it relates to filling all Section 16 Executive Officer positions. These changes further the company's established practice of considering diversity when recruiting and nominating individuals for directorships or executive officer positions.

- **Ethical use of artificial intelligence** - Because artificial intelligence (AI) solutions are built and used to perform multiple significant functions across the organization, Regions is committed to strong AI ethics and governance. Regions adheres to core principles that govern the company's development and use of AI, including values, accountability, transparency, diverse and inclusive teams and continuous learning.
- **Director-associate engagement** - The board and management set a "tone at the top" characterized by open and transparent communications across all levels of the company. Associates regularly attend and present at board and committee meetings to provide subject-matter expertise. Smaller meetings are also arranged with associates without executive management present to discuss topics of interest to directors. Directors are encouraged to visit Regions' facilities and engage with associates through various other forums.
- **Director-shareholder engagement** - Director-shareholder engagement is an important component of Regions' commitment to continuously improving corporate governance practices. In 2019, the board significantly increased the amount of director-shareholder engagements on corporate governance matters and solicited feedback on culture, compensation practices and ESG practices and disclosures.
- **Business resilience** - Regions is committed to providing essential business and technology services in the event of business interruptions, such as the COVID-19 pandemic, to support customers and associates. Regions has an established Business Resilience Program, overseen by the board's Risk Committee, which directs the internal planning processes related to business continuity, crisis management, cyber security incident response, disaster recovery, pandemic planning and general emergency management. These efforts are supported through strong, cross-functional partnerships between Risk Management, Information Technology and Corporate Security.

The 2019 Annual Review and Environmental, Social and Governance Report covers the period of Jan. 1 through Dec. 31, 2019, unless otherwise noted, and is available on the Regions website [at the following link](#). Regions uses the Global Reporting Initiative (GRI) framework, along with broader concepts from guidelines and frameworks established by other standards-setting organizations, to provide transparent and comparable disclosure of the company's economic, environmental and social impacts. The report should be read in conjunction with the company's 2019 Annual Report on Form 10-K and Form 10-Q for the quarter ended March 31, 2020; 2020 Proxy Statement; 2019 Community Engagement Highlights; 2019 CDP Response; and 2018 SASB Disclosure, all of which can be found at [ir.regions.com](http://ir.regions.com).

## About Regions Financial Corporation

Regions Financial Corporation (NYSE:RF), with \$133 billion in assets, is a member of the S&P 500 Index and is one of the nation's largest full-service providers of consumer and commercial banking, wealth management, and mortgage products and services. Regions serves customers across the South, Midwest and Texas, and through its subsidiary, Regions Bank, operates approximately 1,400 banking offices and 2,000 ATMs. Regions Bank is an Equal Housing Lender and Member FDIC. Additional information about Regions and its full line of products and services can be found at [www.regions.com](http://www.regions.com).

1. Unless otherwise required by applicable law, the assistance described may, in the sole discretion of Regions Bank, be available for a limited time; be subject to other exclusions and restrictions; and, is subject to change or termination without further notice. Decisions on waivers are made in sole and absolute discretion of Regions Bank.
2. The no-penalty offer allows customers to make one partial or complete withdrawal without penalty. The penalty-free withdrawal must be made more than seven days after the issue date or the most recent renewal date (whichever is later). Any other withdrawals will be subject to penalties.

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