Climate Risk Statement

Introduction

We believe climate change provides risks and opportunities for our business, and we are acting strategically to integrate climate-related insights into our decision-making and striving to help our stakeholders do the same.

Huntington supports the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and employs the TCFD framework to enhance its understanding and disclosure of the evolving impact of risks associated with climate change, together with possible mitigation strategies. Huntington continues to build its internal capacity to conduct climate change scenario analysis, in line with the TCFD recommendations, and is evaluating both physical and transition risks across a selection of climate-sensitive portfolios. These efforts will help the bank identify potential financial risks and will inform its business strategy in relation to climate change going forward. Based on the guidance provided by the TCFD platform, Huntington has put in place a formal climate risk program with multiple workstreams led by business segments that are taking steps to integrate our climate risk management practices into our existing, robust risk management program.

Climate Risk

Huntington defines climate risk as the actual or potential threat of adverse effects of both physical and transition risks on its financial ecosystem including customers, colleagues, stakeholders, and communities. Physical risk represents the risks financial ecosystem participants face from increasing levels of extreme weather, flooding, wildfire, heatwaves, and other acute and chronic climate-related impacts. Transition risk represents the risks financial ecosystem participants face in response to strategy, investment, policy, and other changes designed to move toward a lower-carbon future. These climate-related physical and transition risks (property devaluation, availability of insurance, Greenhouse Gas ("GHG") emissions, waste, resource depletion, technological advances, legislative and regulatory measures, demand for transition finance) may pose risks to the sustainability of Huntington's operational, business activities, and geographic marketplace resiliency.

We believe the current and future impacts of climate risk events on our stakeholders require full institutional engagement in the timely identification, assessment, and management of climate-related risks. In recent years, we have witnessed the devastating toll that climate-related physical risk disasters can have on our stakeholders.

Commitment to Environmental Impact

Huntington is on a multiyear journey to implement an environmental sustainability strategy centered on energy efficiency and carbon footprint emissions reductions. Our environmental stewardship efforts align with and support aspects of well-recognized and respected frameworks and guidance, such as the U.N. Sustainable Development Goals, World Economic Forum agenda, Partnership for Carbon Accounting Financials, and the Paris Agreement. We demonstrate our commitment and transparency to these frameworks and goals through our disclosures to CDP, our reporting to the TCFD framework, and our regular updates to Huntington-specific decarbonization strategies. Our annual ESG Report describes these commitments and our progress toward each in more detail.

Huntington has published commitments regarding its Scope 1 and 2 emission targets as well as renewable energy goals. These commitments are consistent with Huntington's ongoing efforts to understand the full scope of its Greenhouse Gas profile to continue to chart and refine a course toward having a long-term net-zero carbon impact consistent with attempts to limit global warming to 1.5 degrees Celsius of pre-Industrial levels. In 2021 and 2022, Huntington committed to understanding and analyzing the magnitude of our Scope 3 and financed emissions in our overall carbon footprint profile. We have obtained high-quality, third-party financed emission data and are actively reviewing how to best incorporate this data into an analysis of our bank lending portfolio. There is an ongoing effort to position Huntington to accurately calculate financed emissions in the near term.

Approach to Risk Management

We work to identify, measure, monitor, mitigate, and communicate our risks effectively.

1) Our Board-level committee framework includes separate and distinct Audit and Risk Oversight Committees. The Directors on those Committees have specific financial industry, legal, or other relevant risk management experience, and have oversight responsibilities for the Company's current and prospective risk-taking activities.
2) We utilize three lines of defense to identify, measure, monitor, control, and report the risks we have or will assume.
3) All colleagues are responsible for the identification and ownership of risk as we embrace the philosophy that "Everyone Owns Risk."
4) Compensation practices are aligned to our strategic objectives with appropriate risk balancing mechanisms.
5) We strive to be fully compliant with laws and regulations and build processes and controls to promptly identify and correct potential issues.
6) We seek to identify industry best practices to enhance our risk management efforts.
7) We continue to invest in control environments, risk data aggregation, and risk reporting.
8) We diligently review third-party vendors and associated risks.
9) We maintain a well-developed business continuity plan to operate in a business-as-usual manner during unexpected natural disasters.

Huntington's Enterprise Risk Management ("ERM") program provides the framework to ensure risk awareness and adherence to the Board's stated risk appetite. Maintaining this program helps ensure strong and proactive risk governance that supports the achievement of a robust, holistic view of key risks, and drives management of risk. Huntington's focus on risk management and commitment to an effective risk management culture will ensure that we conduct business within defined risk tolerances of aggregate moderate-to-low risk, fulfilling Huntington's mission to deliver consistent earnings with top quartile financial performance over time, and to sustain a well-capitalized position. Huntington's philosophy is that risk management is a process of continuous improvement, and we will do our due diligence to consider environmental impacts and incorporate environmental impacts, as appropriate, into our decision making and customer engagement.

Due Diligence

In the ordinary course of business, Huntington conducts heightened due diligence regarding different types of risks on customer relationships (i) when the customer is in an industry or business with perceived heightened risk or (ii) if the customer is proposing to engage in an activity or transaction with heightened risk. Heightened due diligence enables us to validate that the customer relationship aligns with the Company's strategy. It also enhances our assessment of the customer at the time of onboarding, underwriting, or credit decisioning to help ensure known customer risks are evaluated internally by an appropriate decision maker. This process is intended to align with internal policies, stakeholder interests, and any business commitments that may extend beyond traditional return expectations.

Consistent with this risk management approach, and for any type of commercial lending or investment engagement, heightened due diligence may include an evaluation of a customer's credit-related climate risks. Factors considered may include a customer's public climate, environmental, or transition plan; commitment to any public plan(s); impacts to vulnerable communities, including low-to-moderate income, under-resourced, and Indigenous populations; and potential reputational issues, such as a history of significant fines, penalties, or lawsuits. These factors could result in heightened credit risk, impacts to natural capital, elevated reputation risk, or negative outcomes to stakeholders that are outside of the Company's established risk appetite. We refer to this process as Climate Due Diligence, which we intend to implement in the near-term. Consistent with heightened due diligence, Climate Due Diligence will be performed when Huntington identifies customers in certain carbon-intensive industries or who are engaged in certain activities where credit-related environmental considerations exist.

As part of Climate Due Diligence, we are developing escalation protocols and guidance for carbon-intensive industries that will consider the customer's (i) environmental impact on the communities they serve, including Just Transition considerations, and (ii) plans to adapt to external market challenges and impacts associated with climate-related risks, which may include, as appropriate depending on the customer's situation, published goals to reduce GHG emissions, power purchase agreements, retirement of assets, and investments into renewable energy capacities. Huntington believes this is not only prudent to manage environmental and climate-related risks, but also to support safe and sound credit and reputation risk decisions that align with Huntington's aggregate moderate-to-low risk appetite. Finally, Climate Due Diligence can also help us identify and support investments that may be more attractive with a fulsome understanding of the customer's climate risk management strategy, including their GHG emissions reductions and transition plans.

Huntington's primary goal is to grow our business, not to curtail business with heightened risk customers or industries by unnecessarily restricting or limiting business activity. Huntington succeeds when our customers succeed over the long-term. Huntington has a longstanding tradition of partnering with customers to provide innovative products, services, and advice, and it is our goal to help clients, especially those in carbon-intensive industries, proactively respond to climate risks and transition to a low-carbon economy in a responsible manner. Huntington has made significant investments into renewable energy financing and other climate-related financial services to respond to customer needs and changing market expectations. We look forward to continuing to leverage these capabilities to help our clients manage their climate and transition risk plans.

Over time, we expect that Climate Due Diligence will further Huntington's environmental sustainability strategy and help the Company align with the environmental frameworks listed above by attracting customers who benefit from our products and services and assisting customers with their climate transition and emissions reduction plans consistent with a 1.5 degrees Celsius net-zero scenario.

Climate Risk Management Framework & Review Process

The Climate Risk Management Framework that we are developing is intended to align seamlessly with our existing Enterprise Risk Management structure. This structure will include the ongoing assessment of the potential impact of climate risk across multiple risk pillars. Although climate-related emerging risk issues have been identified and addressed on an ad hoc basis within the current emerging risk identification framework, the Climate Risk Management Framework will, upon completion, provide a structured approach to consistently identify, assess, manage, and report climate-related risks and their impact across the enterprise.

Huntington's climate risk management process development includes the capability to generate a granular physical risk assessment score, by peril type, for all client, counterparty, and/or vendor geographic locations. The Company also has the capacity, via a third-party transition scenario model, to simulate the impact of each of the Network for Greening the Financial System scenarios for the majority of the carbon intensive sector public companies with which Huntington has existing loan and/or investment relationships. This functionality is also in place for several thousand private companies as well. The Company has also made significant progress in calculating its financed emissions. Climate-related risk considerations are being integrated across the company via multiple workstreams and the development of segment specific policies and procedures. Enterprise-wide climate-related education and training program development is also in progress to facilitate potential consultative decarbonization engagement opportunities with our clients.

Huntington's executive leadership team and Board of Directors actively engage and participate in the Company's objective to facilitate comprehensive and effective climate risk identification, monitoring, and mitigation risk management practices.