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ENVIRONMENTAL,  
SOCIAL, AND  
GOVERNANCE  
REPORT



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## About This Report

The 2018 Environmental, Social, and Governance Report (this Report) covers the period of January 1 through December 31, 2018, unless otherwise noted. Regions uses the Global Reporting Initiative (GRI) framework to provide transparent and comparable disclosure of our economic, environmental, and social impacts. This Report references the GRI Standards (2016), as specified in the GRI Content Index at the end of the Report. This Report should be read in conjunction with our 2018 Annual Report on Form 10-K, 2018 Annual Review, 2019 Proxy Statement, and 2018 Community Engagement Highlights, all of which contain additional information about Regions and can be found on our website, [ir.regions.com](http://ir.regions.com).

The terms “Regions,” the “Company,” “we,” “us,” and “our” as used herein mean collectively Regions Financial Corporation, a Delaware corporation, together with its subsidiaries, including Regions Bank (the Bank), when or where appropriate.

This Report uses certain terms, including those that the GRI guidelines refer to as “Material Topics,” to reflect the issues of greatest importance to Regions and our stakeholders. Used in this context, these terms should not be confused with terms, such as “material” or “materiality,” as defined by or construed in accordance with securities law or as used in the context of financial statements and financial reporting. This Report is not comprehensive and should be read together with the financial and other material information regarding Regions found in our filings under the Securities Exchange Act of 1934, as amended, such as our Annual Report on Form 10-K. These are available through our website at [ir.regions.com](http://ir.regions.com) or the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

The goals discussed in this Report are aspirational and no guarantees or promises are made that all goals will be met. Statistics and metrics included in this Report are estimates and may be based on assumptions.

This Report includes forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. The words “future,” “anticipates,” “assumes,” “intends,” “plans,” “seeks,” “believes,” “predicts,” “potential,” “objectives,” “estimates,” “expects,” “targets,” “projects,” “outlook,” “forecast,” “would,” “will,” “may,” “might,” “could,” “should,” “can,” and similar expressions often signify forward-looking statements. Forward-looking statements are not based on historical information, but rather are related to future operations, strategies, financial results or other developments. Forward-looking statements are based on management’s current expectations as well as certain assumptions and estimates made by, and information available to, management at the time the statements are made. Those statements are based on general assumptions and are subject to various risks, and because they also relate to the future they are likewise subject to inherent uncertainties and other factors that may cause actual results to differ materially from the views, beliefs and projections expressed in such statements. Therefore, Regions cautions you against relying on any of these forward-looking statements. You should not place undue reliance on any forward-looking statements, which speak only as of the date made. Factors or events that could cause Regions’ actual results to differ may emerge from time to time, and it is not possible to predict all of them. Regions assumes no obligation to update or revise any forward-looking statements that are made from time to time, either as a result of future developments, new information or otherwise, except as may be required by law. See also the reports Regions has filed with the Securities and Exchange Commission, including the discussions under the “Forward-Looking Statements” sections of Regions’ Annual Report on Form 10-K for the year ended December 31, 2018 and Quarterly Report on Form 10-Q for the period ended March 31, 2019, and the “Risk Factors” section of Regions’ Annual Report on Form 10-K for the year ended December 31, 2018, as each of which was filed with the Securities and Exchange Commission and is available on its website at [www.sec.gov](http://www.sec.gov).

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# A MESSAGE FROM OUR CEO



*"Our culture, built on integrity, trust, and respect, our values, and our mission form the foundation for how we work together to create shared value for all of our stakeholders."*

– **John M. Turner, Jr.**, President and CEO

In July 2018, I had the distinct honor of assuming the role of Chief Executive Officer following the retirement of Grayson Hall. Under Grayson's leadership, Regions embraced shared value as a foundational approach to operating our Company. This means that what we do as a business should benefit our customers, associates, shareholders, and the communities in which we live and work. During Grayson's tenure, Regions also introduced Regions360® with the goal of putting customers' needs at the center of every interaction, helping them meet their unique financial goals and aspirations. And most importantly, we've built a culture where associates support and embrace the belief that Regions prospers when all our stakeholders benefit.

As we begin a new chapter, we are committed to remaining focused on our mission to make life better and create shared value. More than ever, we must consider how environmental, social, and governance (ESG) matters affect our Company, and be transparent about our ESG practices and performance. In this Report, you will learn how Regions is working to advance our ESG efforts to make life better for our customers, associates, and communities, while creating long-term value for our shareholders.

## **Associates**

Our associates are our greatest asset. We are committed to investing in their continued professional development and providing the skills and tools to more effectively and efficiently serve our customers. These efforts include reskilling and upskilling associates to help them meet the needs of tomorrow's workplace. We are also dedicated to associates' well-being and financial wellness. For instance, we raised the entry-level wage to \$15 per hour, continued our commitment to retirement readiness by increasing our 401(k) Plan matching contribution to 5 percent, and enhanced our parental leave benefits to provide birth mothers with 12 weeks of paid leave and birth and adoptive parents with six weeks of paid leave.

We understand that a diverse and inclusive workforce is not only a business imperative—it's a competitive advantage. This past year, we created the Diversity and Inclusion Center of Expertise within Human Resources to foster a culture of inclusion and assist us with recruiting and retaining diverse talent. We recognize communities have varying needs, and having a diverse team of associates that reflects our customers and our communities is critically important to our long-term success.

## **Customers**

Our customers' expectations are changing, and we recognize the need to serve them efficiently, effectively, and at a lower cost. By streamlining our processes and investing in technology, our associates can dedicate their time to productive conversations with customers, using data and analytics to provide customers with comprehensive financial advice. While we are focusing on continuously improving, we will not lose sight of our approach of putting customer needs at the center of the relationship and providing trusted financial advice and relevant products and services tailored to meet the unique needs of each customer.

Driven by our associates' focus on meeting customers' needs, Regions continues to earn numerous industry accolades, as well as top-ranked customer satisfaction scores from third-party organizations.

## **Communities**

Last year, we continued building on our legacy of community engagement by focusing our investments on areas where we can have the most meaningful and measurable impact. We formed the Corporate Responsibility and Community Engagement team that

brings together expertise to address issues that matter most to our customers, associates, and community partners.

Guided by a purpose-led and performance-driven approach, we identified three community investment priorities that align with our core values and the skills and talents of our associates: Economic and Community Development, Education and Workforce Readiness, and Financial Wellness. Further, to assure our sustainable commitment to the community, we endowed the Regions Foundation with \$60 million in 2018 in addition to the \$40 million in 2017.

### **Environment**

To build on our established sustainability initiatives, Regions adopted an Environmental Sustainability Policy Statement and environmental goals to accelerate our reduction of greenhouse gas emissions and energy use. I am proud to report that since 2008, we reduced our operational greenhouse gas emissions by 47 percent. We understand Regions has a role in supporting the adoption and development of sustainable infrastructure and

renewable energy. In 2018, we provided capital for the development of utility-scale solar projects with 147 megawatts of generating capacity and advised corporate customers on green bond issuances. As our sustainable finance platform continues to grow, we will expand our investments and advisory opportunities in this area.

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Regions understands that strong ESG practices are essential for creating shared value and for generating long-term value for all of our stakeholders. We are committed to transparency and continuously evaluate opportunities for adopting leading practices and enhancing our ESG reporting. We hope that you find this Report informative and appreciate your interest in Regions.

Sincerely,



**John M. Turner, Jr.**  
President and Chief Executive Officer

# A MESSAGE FROM YOUR BOARD OF DIRECTORS

As Directors, we are responsible for providing effective governance and oversight of Regions' business for the long-term benefit of all stakeholders, including Regions' customers, shareholders, associates, and communities. Regions and the Board recognize the intersection between strong environmental, social, and governance (ESG) practices and the long-term success of the Company, which is why we are focused on ensuring the Board has the proper skills and knowledge to effectively oversee ESG matters and to constructively challenge management on topics relevant to the Company.

**Director Skills and Education.** The Board is committed to ensuring we have the right skills and expertise within our membership to appropriately oversee the management of current and emerging ESG and sustainability topics. We fulfill this commitment by continuously evaluating which skills are currently represented on the Board and make sure there are no gaps.

As part of this effort, we onboarded new Directors with extensive experience in sustainability, cybersecurity, and human capital management. These Directors have a broad understanding of ESG and have been valuable resources for both the Board and management in the execution and oversight of the Company's ESG program. Additional information about Directors' skills and qualifications is available in the 2019 Proxy Statement.

Director education programs are also critical for fostering Board effectiveness. Directors are regularly provided with materials on emerging ESG topics. We also participate in educational sessions in connection with on-site Board meetings and attend conferences and seminars. As an example, Ceres, a nonprofit organization that seeks to build sustainability leadership and solutions, presented to the Board on effective oversight of ESG and the skills and board structure needed to oversee these topics.

We also are interested in understanding our shareholders' expectations of the Board. We have met with governance representatives from our largest shareholders on matters related to governance, board composition, and other ESG matters. Management also provides the Board with a quarterly corporate governance engagement update.

**Formal Oversight of ESG.** While all Board committees oversee certain aspects of ESG, we formally assigned oversight responsibility of environmental matters and corporate responsibility to the Nominating and Corporate Governance (NCG) Committee. This past year, for example, the NCG Committee oversaw the development of Regions' Environmental Sustainability Policy Statement and

environmental goals, Human Rights Statement, and Vendor Code of Conduct.

In 2018, the Board also centralized the oversight of human capital management and culture under the Compensation Committee, which was renamed the Compensation and Human Resources (CHR) Committee. Under its revised charter, the CHR Committee is responsible for the oversight of associate conduct, engagement, and career progression; diversity and inclusion initiatives and results; talent acquisition, development, and retention; performance management; and employment practices.

**Diversity.** We believe a strong and effective Board is diverse. In February of 2019, we approved changes to our Corporate Governance Principles that reaffirm our commitment to Board diversity. When searching for candidates, the NCG Committee will include diverse candidates in the pool for any open Board seat. We believe this intentional step ensures that our Board reflects Regions' customers, associates, and communities. We also provide a Board Skills and Composition Matrix in our 2019 Proxy Statement that highlights the Board's diversity, including racial/ethnic, gender, LGBTQ+, non-US born, multilingual, and veteran status.

This Report will help you better understand how Regions and the Board are continuously considering and managing ESG matters. As always, we welcome your feedback.

On behalf of your Board of Directors,



*Charles D. McCrary*

**Charles D. McCrary**  
Independent Chair of the Board

*Ruth Ann Marshall*

**Ruth Ann Marshall**  
Chair, NCG Committee

*Don DeFosset*

**Don DeFosset**  
Chair, CHR Committee

*Carolyn H. Byrd*

**Carolyn H. Byrd**  
Chair, Audit Committee

*John D. Johns*

**John D. Johns**  
Chair, Risk Committee

# REPORT HIGHLIGHTS

## CORPORATE GOVERNANCE

38%

The Board of Directors is 38% **diverse** based on **gender, ethnicity, race, and sexual orientation**

92%

The Board is 92% **independent** with an **independent Chair of the Board**



The full Board and its committees **oversee matters related to Regions' environmental, social, and governance** practices, performance, and disclosure

## ASSOCIATES

12 weeks

Expanded **parental leave plan** to provide 12 weeks of fully paid leave for birth mothers and 6 weeks of fully paid leave for birth and adoptive parents<sup>(1)</sup>

5%

Increased the **401(k) Plan matching contribution** from 4 percent to 5 percent, in addition to the annual **2 percent contribution** that all eligible associates receive<sup>(1)</sup>

\$15/hour

Raised the **entry-level wage** to \$15 an hour, while also providing career paths and professional growth opportunities for our associates



Created a **Diversity and Inclusion Center of Expertise**, led by the Head of Diversity and Inclusion



Continued to invest in the **development of our associates** to prepare them for the rapidly changing work environment through reskilling and upskilling programs

## CUSTOMERS AND COMMUNITIES

Regions360<sup>®</sup>

Through quality conversation and a "one bank, one team, one Regions" approach, our bankers focus on providing trustworthy financial advice and relevant products that **meet the needs of our customers** and help them make better financial decisions

\$100 million<sup>(2)</sup>

Contributed to the **Regions Foundation** to make purpose-led, performance-driven community investments

94,000

Financial education presentations delivered by **Regions Next Step<sup>®</sup> Elevate** team

Formed the **Corporate Responsibility and Community Engagement** team to address local community development needs and promote inclusive economic growth through:



Economic and Community Development



Education and Workforce Readiness



Financial Wellness

## ENVIRONMENT

2023 Environmental Goals<sup>(3)</sup>

Reduce Greenhouse Gas Emissions by

30%

20%

reduction achieved

Reduce Energy Use by

30%

12%

reduction achieved

18%

Reduced **internal copy paper use** by 18% over the past year through process improvements



147 megawatts

Provided capital in the form of sale-leasebacks to utility scale and commercial **photovoltaic solar projects** with overall generating capacity of 147 megawatts



Adopted an **Environmental Sustainability Policy Statement** and created an **Environmental Working Group** to support the implementation of the policy and engage associates on sustainability

All data is as of December 31, 2018, except for Corporate Governance data which is as of April 24, 2019, following the 2019 Annual Meeting.

(1) Parental leave plan and 401(k) Plan changes went into effect January 1, 2019; (2) Regions contributed \$40 million to the Regions Foundation in 2017 and \$60 million in 2018; (3) 2015 baseline. Greenhouse gas emissions goal is for Scope 1 and 2 emissions.

# REGIONS AT A GLANCE

Regions Financial Corporation (NYSE:RF) is a member of the S&P 500 Index. Regions conducts its banking operations through Regions Bank (the Bank) and is ranked 15th nationally in total deposits<sup>(1)</sup>, with products and services that offer customers convenience and the ability to bank the way they choose. The Bank's franchise spans across the South, Midwest, and Texas.

## Consumer Banking



**\$35 billion** average assets  
**\$781 million** net income

The Consumer Bank Group represents the Company's branch network, including consumer banking products and services related to residential first mortgages, home equity lines and loans, branch small business loans, indirect loans, consumer credit cards and other consumer loans, as well as corresponding deposit relationships. These services are also provided through alternative channels such as the internet and telephone banking.

## Corporate Banking



**\$52 billion** average assets  
**\$601 million** net income

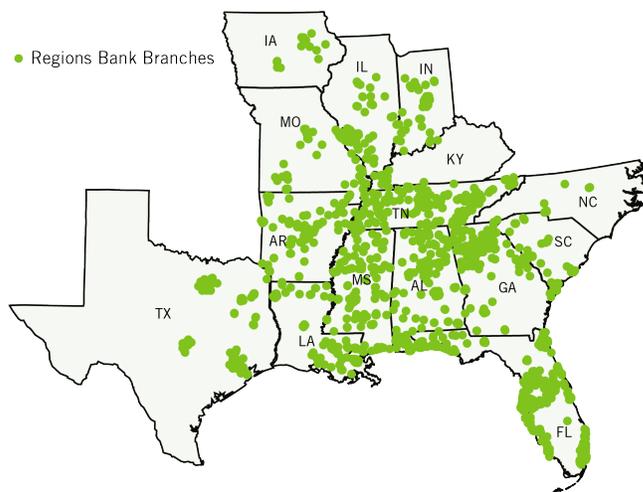
The Corporate Bank Group represents the Company's commercial banking functions, including commercial and industrial, commercial real estate, and investor real estate lending. This Group also consists of equipment lease financing, as well as capital markets activities, which include securities underwriting and placement, loan syndication and placement, foreign exchange, derivatives, mergers and acquisitions, and other advisory services. Corporate Bank customers include corporate, middle market, and commercial real estate developers and investors. Corresponding deposit products related to these types of customers are also part of this Group.

## Wealth Management



**\$2 billion** average assets  
**\$111 million** net income

The Wealth Management Group offers individuals, businesses, governmental institutions and non-profit entities a wide range of solutions to help protect, grow and transfer wealth. Offerings include credit-related products, trust and investment management, asset management, retirement and savings solutions, and estate planning.



## Corporate Profile

**\$126 billion** total assets

**\$83 billion** full-year average loans

**\$94 billion** total deposits

**19,969** associates (full-time equivalent)

**1,454** branch outlets

**1,952** ATMs

**4.8 million** customers

All data is as of December 31, 2018.

(1) Based on FDIC deposit data as of June 30, 2018. Pro-forma for M&A through February 15, 2019.

# Corporate Strategy

Together, our values, mission, and vision guide us in developing our business strategy, while our strategic priorities, shown in the graphic to the right, guide our day-to-day operations. These priorities also form the foundation of our new three-year strategic plan announced in February 2019—to generate consistent, sustainable, long-term performance. We plan to achieve this by:

**Leaning into our strengths**, including our industry-recognized customer service, our ability to work as one team and deliver Regions360, our culture, the markets and communities we serve, and risk management.

**Continuously improving** by making banking easier, improving efficiency and effectiveness, and growing revenue.

**Driving innovation through digital and data** by improving the customer experience, investing in artificial intelligence, building better data and analytics capabilities, and improving technology architecture.

**Making strategic and disciplined investments** focused on segment level investments for organic growth.



Read more about how we plan to execute on our strategy in the [2018 Annual Review](#) and [2019 Investor Day](#) presentations

# Financial Performance

	2018	2017	2016
<b>EARNINGS SUMMARY</b>			
Net income from continuing operations available to common shareholders	\$ 1,504	\$ 1,177	\$ 1,090
Net income available to common shareholders	1,695	1,199	1,099
Earnings per common share from continuing operations - diluted	1.36	0.98	0.86
Earnings per common share - diluted	1.54	1.00	0.87
<b>BALANCE SHEET SUMMARY</b>			
<b>At year-end</b>			
Loans, net of unearned income	\$ 83,152	\$ 79,947	\$ 80,095
Assets	125,688	124,294	125,968
Deposits	94,491	96,889	99,035
Long-term debt	12,424	8,132	7,763
Shareholders' equity	15,090	16,192	16,664
<b>Average balances</b>			
Loans, net of unearned income	\$ 80,692	\$ 79,846	\$ 81,333
Assets	123,380	123,976	125,506
Deposits	94,438	97,341	97,921
Long-term debt	9,977	7,076	8,159
Shareholders' equity	15,381	16,661	17,124
<b>SELECTED RATIOS</b>			
Adjusted Return on Average Tangible Common Equity <sup>(3)</sup>	16.5%	11.7%	9.8%
Tangible common shareholders' equity to tangible assets (non-GAAP) <sup>(1)</sup>	7.80	8.71	8.99
Allowance for loan losses as a percentage of loans, net of unearned income	1.01	1.17	1.36
Efficiency ratio	61.50	62.44	63.42
Adjusted efficiency ratio (non-GAAP) <sup>(1)</sup>	59.26	61.35	62.46
Basel III common equity Tier 1 ratio — Fully phased-in pro-forma (non-GAAP) <sup>(1)(2)</sup>	9.83	10.95	11.05
Tier 1 Capital	10.68	11.86	11.98

(in millions, except per share data)

(1) See Table 2 in 2018 Form 10-K for GAAP to non-GAAP reconciliations; (2) Current year Basel III common equity Tier 1 and Tier 1 capital ratios are estimated;

(3) See February 27, 2019 Form 8-K for GAAP to non-GAAP reconciliation.

# Our Culture

Three foundational elements serve as the basis of our culture: our values, our mission, and our vision. We list them in this order for a reason: our values guide our day-to-day life, how we treat customers and each other, and the expectations for how we behave. Our mission defines our corporate purpose and answers the question, “What do we want to accomplish when we work together?” And our vision is what we aspire to, what we want the company to look like when we follow the values in service of our mission.

## Our Values



### Put people first

Have respect for every person. Listen. Care. Serve others before yourself. Build the best team. Be inclusive. Work as one team. Balance work in a full life. Lead humanely. Set the good example. And remember to say thank you.



### Do what is right

Always. Be honest. Do what you say. Use common sense. Stand for quality and integrity. Take the long view. Earn trust. Be responsible and accountable.



### Focus on your customer

Serving the customer as one team, in an exceptional way, is our business, our only business. Know your customer. Serve your customer. Be committed. Understand needs. Meet needs. Make your customer's life better by what you do. Create shared value.



### Reach higher

Grow. Our Company must grow, and we must grow prudently. Raise the bar. Be energetic. Be innovative. Achieve excellence. Improve continuously. Inspire and enable others. Succeed the right way. Improve efficiency and effectiveness.



### Enjoy life

Have fun. We are in the business of banking. But more importantly, we are in the business of life. Enjoy it. Laugh. Be creative. Celebrate. Recognize success.

## Our Mission

*Our mission is to achieve superior economic value for our shareholders over time by making life better for our customers, our associates, and our communities and creating shared value as we help them meet their financial goals and aspirations. We do this by providing competitive financial products, excellent service, and trusted financial advice.*

Shared value is at the core of our mission and business strategy. It is a simple idea: what we do as a business should benefit our customers, Company, and shareholders, as well as the communities where we live and work. This is the path to sustainable business; it is how to make a decent profit in a decent way. The products and services we sell must be priced fairly, so that they provide value to our customers and to the Bank, while benefiting shareholders appropriately. And ultimately, the products and services we sell must benefit our communities because the Company will only be as strong as the communities we serve.

## Our Vision

*Regions aims to be the premier regional financial institution in America through being deeply embedded in our communities, operating as one team with the highest integrity, providing unique and extraordinary service to all of our customers, and offering an unparalleled opportunity for professional growth for our associates.*

Our vision statement is an aspiration. It clarifies what we do, where we do it, and how we will execute. This statement defines our future, and we can achieve it by working as one team to focus on our communities and our customers, helping them succeed financially.

We do this by providing expert financial advice, guidance, and education to customers; building well-developed business plans that we execute with discipline; building on a foundation of integrity and trust; delivering excellent customer service and convenience; and offering associates the opportunity to grow professionally and be part of an outstanding team.

## Alignment of Culture with Long-Term Strategy

Regions' strong corporate culture is founded on the idea that creating shared value for all stakeholders—customers, shareholders, associates, and communities—is the right way to operate our business. This culture is a strength that we believe uniquely positions us to execute against our strategic plan to generate consistent, sustainable long-term performance. As we strengthen our culture, we build an organization that is more balanced, diverse, inclusive, and thoughtful. We enhance our customer service quality, increase associate engagement, and create a strong risk management culture.

Leaning into our corporate culture and teams, along with our excellence in customer service, is fundamental for us to achieve our strategic plan. Our strategy is anchored in our unique strengths, which include our bankers and associates, culture, markets, risk management processes, and how we deliver superior customer service.



*Read more about our corporate culture and how it is aligned with our strategy in the [2019 Proxy Statement](#)*

## Stakeholder Engagement

Our business requires that we consider the needs and viewpoints of a broad range of stakeholders. We believe that engagement is an ongoing, two-way communication, and we seek to share information about our viewpoints, strategies, and practices while simultaneously learning from our stakeholders.



### Shareholders

Engaging with our shareholders and soliciting their points of view is critical to providing long-term value to all of the Company's stakeholders. We are committed to holding constructive and meaningful communications with our shareholders and building ongoing relationships throughout the year.

We have a formal year-round corporate governance engagement program, and we encourage shareholders to candidly provide their views on corporate governance issues, including executive compensation and environmental, social, and governance (ESG) matters. In 2018, we reached out to institutional shareholders representing approximately 63 percent of Regions' outstanding stock held by institutional investors. Information obtained during these engagements is summarized and presented to management and the Board of Directors (the Board). In addition, our Board engages directly with institutional shareholders through corporate governance events, presentations to the Board, and other engagement opportunities.

### Engaging Through Governance Organizations

Regions engages with shareholders through our involvement in corporate governance and ESG organizations, such as the Council of Institutional Investors, Society for Corporate Governance, John L. Weinberg Center for Corporate Governance, Stanford University's Institutional Investors' Forum, and Harvard Law School's Roundtable on Corporate Governance.

In addition, in early 2019, Regions became a Ceres Company Network Member. Ceres is a sustainability nonprofit organization that works with investors and companies to build leadership and drive sustainability solutions. Through this partnership, Regions will be able to leverage Ceres' in-house expertise and relationship with shareholders and other stakeholders in order to gain insights into ESG best practices, shareholder expectations, and other ESG-related guidance.

Throughout the year, Regions also engages with third-party ESG rating organizations; standard-setting organizations, such as the Sustainability Accounting Standards Board; and proxy advisory firms.

In addition, management engages with institutional shareholders across various forums, including sell-side conferences, roadshows, and investor visits. In 2018, Regions held in-person meetings with 369 investors and potential investors. These meetings included 69 percent of Regions' top 25 largest active investors.

In the Corporate Governance Shareholder Engagement section of our [2019 Proxy Statement](#) on pages 52 and 53, we provide a thorough discussion of the actions that we have taken in response to shareholder feedback.



## Customers

Regions' core value to **focus on your customer** drives our actions to constantly improve the customer experience. We do this primarily by listening to our customers in every contact channel and business to make sure we are both providing exceptional customer experiences and following up on any issues customers bring to our attention. We actively solicit feedback from customers via surveys, social media, and in-person comments, and through these engagements and feedback we continuously try to improve the customer experience.

See the [Customers](#) section of this Report for more information on how we engage with our customers.



## Associates

We solicit feedback from and communicate with associates through various channels, including a formal associates engagement survey; a monthly Company-wide meeting that is led by our CEO; our intranet site, [life@regions](#); and monthly "Now Share This" discussion guides for managers.

Regions also offers several channels, including an anonymous 24-hour Report It! Hotline, through which associates may raise ethical concerns and report violations or suspected violations of laws or regulations, the Code of Business Conduct and Ethics (Code of Conduct), or other Company policies and procedures.

See the [Associates](#) section of this Report for additional information about how we engage our associates.



## Regulators and Policymakers

We have transparent and open relationships with our supervisory regulators to ensure that Regions meets

supervisory expectations and that the regulatory authorities are aware of all key business activities. Senior management and the Board dedicate significant time and resources throughout the year to meeting with regulators to engage in productive dialogue and to promote full compliance with supervisory expectations in a timely manner. Further, across the Company, our businesses and support functions engage with regulators through exams, continuous monitoring, and meetings. On a regular basis, Regions provides a wide range of management and committee reports to regulators. Additionally, Regions engages with state and federal lawmakers and agencies to understand their priorities and to express our views on issues that may affect our business.

See the [Corporate Governance](#) section of this Report for more information about the processes and governance around our engagement with policymakers.



## Communities and Nonprofit Organizations

Regions engages with individuals in our communities and nonprofit organizations on matters that are important to our stakeholders. Through the Corporate Responsibility and Community Engagement team, we build partnerships with organizations to bring meaningful change in the communities where we live and work by addressing local community development needs and promoting inclusive economic growth. Our Market Executives located throughout the footprint, with support of Community Relations Officers and Community Development Managers, are also charged with engaging their local communities and responding to those communities' needs.

Furthermore, the Regions Community Development Corporation and its board of directors provide Regions with valuable insights into community needs that can be met through the Regions Community Reinvestment Act (CRA) program. And our external Diversity Advisory Council, comprised of academic, community, and business leaders, provides Regions with an objective outside perspective and guidance on diversity-related matters that are important to our customers, associates, and communities.

In addition, through memberships and advisory roles held by associates, we engage with organizations that focus on ESG, such as the Sustainability Accounting Standards Board, Ceres, and the Council of Institutional Investors.

See the [Communities](#) section of this Report for more information about our community investment and engagement activities.

# CORPORATE GOVERNANCE

At Regions, our decisions are filtered through the lenses of the Company's values, mission, and vision. This holds true for the decisions we make with respect to corporate governance. Regions' Board oversees executive management, who work to ensure we are in compliance with laws and regulations, and provides guidance for sound decision-making and accountability. Maintaining legal and regulatory compliance is, however, a minimum standard, and we endeavor to exceed this by adopting leading governance practices.

Further, we strive to conduct business according to the highest ethical standards, as evidenced by our Code of Conduct. Our associates and Directors take the Code of Conduct seriously and are mindful of our values, in particular, **do what is right**. We maintain an environment of openness and transparency and take every opportunity to promote Regions' values. We do this because it is the right thing to do, and our customers, shareholders, communities, and associates expect it if they are to continue giving us their trust and confidence.

The Board and management understand that good governance is the foundation of sustainable business and good decision-making and is necessary for creating shareholder value over the long-term.

## Board of Directors

The Board assumes an active role in providing oversight of, and guidance to, our executive management team and in maintaining a strong system of checks and balances. The Board believes that an appropriate Board leadership structure includes a substantial majority of independent Directors with diverse backgrounds and experiences; extremely capable Committee Chairs; and strong independent leadership.

Our 2019 Proxy Statement includes information about the Board and its committees and their respective responsibilities, as well as a Board Skills and Composition Matrix that sets forth, on a Director-by-Director basis, various elements of diversity and skills that each contributes to the Board's oversight of the Company. Though Director evaluations are year-round, Directors undergo a robust annual evaluation process to help ensure each is actively contributing to the Board's operations and that all necessary skills are present. In addition to individual Director evaluations, the full Board and the committees also conduct separate evaluations.

### Board Profile

**38%** of our Board is diverse, based on gender, ethnicity, race, and sexual orientation

**23%** of our Directors are female

**92%** of our Directors are independent

**Independent** Chair of the Board

**6** new Directors since 2016

**64 years** is the average age of Directors; ages range from 53 to 70 years

**77%** of Directors have fewer than 10 years of service

All data is as of April 24, 2019, following the 2019 Annual Meeting.

The Nominating and Corporate Governance (NCG) Committee, which oversees the Board evaluation process, is also responsible for identifying and assessing potential candidates for directorship using the criteria established by the Board and set forth in the Corporate Governance Principles. Since 2016, the Board has appointed six new Directors (one of whom was appointed on January 1, 2019). Each of these new Directors has provided unique skills and backgrounds that complement the other Directors, thus providing the Board with additional diverse points of view when making decisions and providing oversight.



Read more about our Board of Directors in the [2019 Proxy Statement](#)

## Board Oversight of ESG Matters

Our Board and its committees oversee matters related to Regions' ESG practices, performance, and disclosure. Through this process, Directors provide management with feedback and guidance on the Company's ESG efforts.

The NCG Committee is responsible for overseeing the Company's practices and reporting with respect to environmental stewardship and corporate social responsibilities that are of significance to the Company and its stakeholders—our customers, shareholders, associates, and communities. The NCG Committee also assists the Board in establishing and maintaining effective corporate governance policies and practices. Further, the Compensation and Human Resources (CHR) Committee oversees Regions' strategies and policies regarding corporate culture and other human capital management functions, including: (i) associate conduct, engagement, and career progression; (ii) diversity and inclusion initiatives and results; (iii) talent acquisition, development, and retention; (iv) performance management; and (v) employment practices.

Additionally, the Risk Committee is responsible for the oversight of the Company's risk management practices, including the review and approval of the Risk Management Framework, the Enterprise Risk Appetite Statement, and significant risk management policies and limits that guide the prudent pursuit of risk and reward across the Company. The Audit Committee is responsible for ensuring that the Company's policies, procedures, and controls that protect our customers and associates are functioning at an optimal level.

Examples of ESG topics discussed with and reported to the Board and its committees in 2018 include:

- The development of Regions' Human Rights Statement and Vendor Code of Conduct
- The Environmental Sustainability Policy Statement and related environmental goals
- Talent management matters, including associate conduct, associate retention, and sexual harassment policy review
- Report on the implementation and effectiveness of Regions' Code of Conduct and related ethics programs
- Reports on information technology, cyber and information security, business resilience, and privacy
- Political contributions report

To further broaden the Board's understanding of ESG topics, all Directors participated in an educational seminar led by Ceres on the role of boards in overseeing ESG matters.

## Management

In July 2018, after 38 years of service to Regions, Grayson Hall retired from the position of CEO, and John Turner assumed this role. Mr. Turner joined Regions in 2011 as the Regional President of the South Region. He was named head of Regions' Corporate Bank in 2014 and became President in 2017.

In addition to the CEO transition, Regions took significant steps to streamline our organizational structure to increase innovation, accountability, and performance. We restructured our bankers into one team focused on local markets and customers, and we integrated leaders into three lines of business: the Consumer Banking Group, the Corporate Banking Group, and the Wealth Management Group. These changes simplified our structure and created more alignment with our business strategies.

Mr. Turner and his direct reports compose our Executive Officers, the Company's most senior management body. The Executive Officers are responsible for approving and implementing policies and procedures that drive Regions' operations and for overseeing execution of strategic initiatives of the Company. Further, our Executive Leadership Team, which consists of the Executive Officers and additional members of senior management, is responsible for reviewing the businesses', markets', and support groups' performance against the Company's strategic and financial plans.



Additional information about our management team is available on our [Investor Relations](#) webpage

## Executive Compensation



**94.5%** shareholder approval of our executive compensation program in 2018

Our ability to successfully compete and grow our business greatly depends on the skill, acumen, and motivation of our executives and their ability to develop and execute a dynamic strategic plan. With this in mind, the CHR Committee established the following guiding principles of compensation to serve as the foundation of our compensation philosophy:

- ✓ Compensation targets should be competitive
- ✓ Actual compensation levels should be related to performance, with incentive compensation, which is considered "at-risk," playing a greater role in the total compensation for more senior officers
- ✓ Compensation should be aligned with the long-term interests of our shareholders and consistent with the safety and soundness of the Company
- ✓ Compensation programs and levels should incent sustainable, profitable growth without encouraging associates to take unreasonable risks that may damage the long-term value of the Company
- ✓ Compensation programs should align with our corporate values

The CHR Committee provides oversight for executive compensation and has designed a balanced program that provides competitive fixed-base compensation, as well as incentive compensation opportunities for performance over the short- and long-term. To establish target pay levels, the CHR Committee considers market-competitive pay and practices, then uses formulaic determinations and discretionary factors to determine actual compensation for the year. The CHR Committee considers an objective evaluation of performance based on business results to be critical; however, it also believes in the importance of applying discretion, flexibility, and judgment in the decision-making process to ensure executive compensation places equal weight upon both near-term performance and progress toward longer-term objectives.

In providing oversight, the CHR Committee considers feedback from independent compensation consultants, proxy advisory firms, shareholders, and regulators.



Read more about our executive compensation program in the [2019 Proxy Statement](#)

## Ethical Business Conduct

We value our relationships with associates, customers, vendors, and the communities where we work and live. In every interaction, Regions must be regarded as trustworthy, honest, and fair. By having a strong Code of Conduct, we demonstrate that doing what is right is not just a slogan—it is the way we do business.

The Code of Conduct is designed to provide resources and guidance to help ensure, among other matters, that:

- Regions and its associates remain in compliance with all applicable laws and regulations
- Regions is a safe and nondiscriminatory place to work and conduct business
- Confidential and proprietary information is protected
- Inappropriate gifts or favors are not accepted or given
- Conflicts of interest are avoided

The Code of Conduct is about more than compliance; it is about what is expected of each associate and how we maintain trust with those we serve. Associates are required to complete annual Business Conduct and Ethics training and attest they have read and understand the Code of Conduct. The CHR Committee reviews all revisions to the Code of Conduct annually and receives an annual report on the status of Regions' ethics objectives.

Our executive-level Ethics Council is responsible for enforcing our standards of conduct and considering all potential violations of the Code of Conduct that could have a material effect on Regions, including matters involving executive-level associates. The Council meets on a quarterly basis, or more frequently if necessary, and provides a quarterly report to the CHR Committee on all matters presented, as well as an annual report regarding the overall status of Regions' ethics objectives.



Refer to the [Code of Business Conduct and Ethics](#) for more information about our programs and policies

## Anticompetitive Activities

Antitrust laws prohibit agreements among competitors to restrict competition. Regions strictly prohibits associates from conspiring with any of Regions' competitors to fix prices, allocate markets and customers, or refuse to deal with particular suppliers or customers. When in contact with Regions' competitors, associates must avoid discussing how Regions conducts its business.

## Whistleblower Protections

All associates must abide by the laws, regulations, and policies impacting the financial services industry, as well as other more broadly applicable federal and state laws and regulations, including employment laws, antitrust laws, insider trading laws, and criminal laws governing fraud, embezzlement, anti-corruption, and bribery.

Regions provides multiple channels for associates to file complaints and report suspected violations of the Code of Conduct and/or potentially suspicious behavior or unlawful or illegal conduct by customers, associates, or vendors. Two of these channels, the Report It! Hotline and the Report It! website, are administered by a third party and are available seven days a week, 24 hours a day to enable associates to make reports anonymously.

Regions considers retaliation to be a serious violation of Company values and the Code of Conduct. Regions prohibits retaliation of any kind for good faith reports of alleged ethical violations or unlawful or illegal conduct. Regions' No-Retaliation Policy is set forth in the Code of Conduct and in other Company policies.

## No-Harassment Policy

Our policies and values are strongly aligned to maintain a workplace culture of respect, which we reinforce through annual required training on how to identify harassment in the workplace and report it. Our No-Harassment Policy, which applies to associates, customers, and vendors, clearly defines sexual harassment and other prohibited conduct. Our No-Retaliation Policy complements the No-Harassment Policy by prohibiting retaliation against associates who make good faith reports of unethical, unlawful, or illegal conduct.

We want associates to clearly understand what our policies prohibit and, therefore, require Respect in the Workplace training on a regular basis. The course focuses on respect and inclusion at work, as well as the policies and laws in place that offer associates protection. It includes tools to help associates recognize behaviors that do not support our culture and values and how an issue can be reported.

Associates have a duty to immediately report harassment, discrimination, and other prohibited conduct. Complaints may be reported directly to Human Resources or the Office of Associate Conduct (OAC) or anonymously through Report It!. The OAC investigates all allegations of associate misconduct and ensures that complaints are investigated promptly and fairly. Oversight by the OAC helps ensure our preventative measures, how we handle complaints, and our resolution efforts are effective. To

ensure associates are comfortable reporting violations, we protect the confidentiality of complaints to the extent possible.



### Office of Associate Conduct

Acting as an independent and centralized office, the OAC oversees the handling, investigation, and resolution of complaints involving associate conduct and regularly reports these findings to the Board and its committees.

## Corporate Political Activity

Like most public companies, Regions recognizes that decisions made by governmental agencies and lawmakers can have a significant impact on our operations, shareholders, customers, and associates. Accordingly, we monitor and track issues that affect our business and express our views to lawmakers and regulators. Part of that advocacy includes engagement in the electoral process through the use of legally permissible corporate political contributions.

Regions' Policy on Political Contributions and Code of Conduct govern and promote the highest standards of behavior by the Company and our associates with regard to political activities. In addition, these contributions are overseen by a committee comprised of members of the Executive Leadership Team, the Head of Government Affairs, and the Manager of State Government Affairs. The Boards' Risk Committee, as well as the full Board, receive a report on the Company's annual corporate contributions and non-deductible portions of trade associations' dues. Reports are reviewed and certified to be in compliance with the Policy on Political Contributions by Regions' General Counsel. In addition, Regions discloses semi-annually our independent expenditures and corporate political giving.



*Read our Policy on Political Contributions and semi-annual disclosure on our [Government Affairs](#) webpage*

# Risk Management and Compliance

Regions has built a strong risk culture. In fact, one of Regions' strategic priorities is to Enhance Risk Management. Our risk culture is supported by a risk governance process, clear “tone at the top,” associate ownership, escalation expectations and open communication, and in-depth training. Risk Ownership and Awareness is one of our core foundational disciplines that helps make risk management a part of who we are and makes every associate responsible for risk management. Our risk management framework outlines our approach for managing risk that includes the four components discussed below.



**Culture:** A strong, collaborative risk culture ensures a focus on risk in all activities and encourages the necessary mindset and behavior to enable effective risk management and promote sound risk-taking within the bounds of our risk appetite. Our risk culture requires that risks be promptly identified, escalated, and challenged, thereby benefiting our overall performance.

**Risk Appetite:** Our risk appetite statements define the types and levels of risk we are willing to take to achieve our objectives.

**Process:** Effective risk management requires sustainable processes and tools to effectively identify, measure, mitigate, monitor, and report risk.

**Governance:** Governance serves as the foundation for comprehensive management of the risks that we face. It outlines clear responsibility and accountability for managing, monitoring, escalating, and reporting both existing and emerging risks.

## Risk Ownership and Awareness

As part of Risk Ownership and Awareness, every associate is responsible for risk management. This approach is put into practice through the concept of the "three lines of defense." Associates in the Business Groups, who deal with our customers daily, form the first line of defense. They identify and address risks ranging from fraud to credit decisions. Risk Management forms the second line of defense, acting as coaches and guides to, and monitors and challengers of, the first line. Internal Audit and Credit Review form the third line, providing an independent review of the work of the first two lines.

## Financial Crimes Risk Management

Regions is committed to complying with both the letter and the spirit of the laws and regulations that govern sanctions and prohibit money laundering and terrorist financing. Our comprehensive, Company-wide, Corporate Bank Secrecy Act/Anti-Money Laundering (BSA/AML) and Office of Foreign Assets Control Compliance (OFAC) Programs consist of corporate policies and standards applicable to all Regions associates, management, affiliates, subsidiaries, and business units. We continuously review our policies and procedures and update them as needed. Regions remains committed to ensuring not only that all our policies and procedures fully comply with rules and regulations, but also that these policies and procedures are clearly communicated and accessible to our associates. The Corporate BSA/AML and OFAC Policies and Standards, as well as Business Unit BSA/AML and OFAC Procedures are posted on our intranet, life@regions. Additionally, as part of our effort to ensure that the BSA/AML and OFAC Policies are widely understood and observed, we track participation in Regions' mandatory BSA/AML and OFAC training programs. We also provide targeted, supplemental training for certain associates.

BSA/AML and OFAC risk governance is accomplished through formal oversight by the Board and its Risk Committee, which approve the BSA/AML and OFAC Programs. The Risk Committee receives reports related to BSA/AML and OFAC from management on at least a quarterly basis. We also have a Financial Crimes Risk Management department responsible for BSA/AML and OFAC Compliance oversight, a BSA/AML/OFAC Operations department, a Corporate BSA/AML Officer and OFAC Officer, and a BSA/AML Oversight Committee (BAOC), which is a management-level special purpose committee. All of these governing bodies and their roles are intended to oversee and monitor the effectiveness of the controls

and processes in place to identify, measure, mitigate, monitor, and report on BSA/AML and OFAC risks.

The effectiveness of the BSA/AML and OFAC Programs, as well as associates' adherence to the requirements of the Programs, is subject to ongoing testing by our Audit department. Regions is also subject to periodic BSA/AML and OFAC-focused regulatory examinations. Our Board, along with senior management, receive regular reports on regulatory submissions filed by Regions as required by various BSA/AML and OFAC laws and regulations and our BSA/AML and OFAC Programs.

Individual recognition and accountability are paramount to the success of our BSA/AML and OFAC Programs. Accordingly, Regions has a program that is administered by Corporate Security, with oversight by BAOC, to reward associates for exceptional efforts in monitoring and referring potentially suspicious activity. Additionally, adherence to the requirements of the BSA/AML and OFAC Programs is built into associates' performance evaluations.

### Human Trafficking

Human trafficking is one of the largest criminal industries in the world, and as a financial institution, we play a role in helping recognize and report suspicious activity. In 2018, Regions partnered with Hope for Justice, a Nashville-based nonprofit that works to end human trafficking, to train hundreds of our associates on how to spot victims of, and participants in, human trafficking. By knowing some of the financial methods used by traffickers and how to identify red flags, Regions and our associates can alert law enforcement and help reduce the prevalence of human trafficking.

## Anti-Bribery and Corruption

Our Code of Conduct prohibits employees from engaging in bribery or corruption of any type. The Code of Conduct expressly prohibits associates from giving gifts to or accepting gifts from government officials. Associates who are offered a gift or other item of value that would result in a violation of Regions' policies are required to immediately report the incident to the Ethics Program Manager.

Additionally, to enhance bribery and corruption risk management, Regions hired an Anti-Bribery and Anti-Corruption Officer who reports through Financial Crimes Risk Management. We also instituted an Anti-Bribery and Anti-Corruption Policy, which requires associates to comply fully with all applicable anti-bribery laws, including the Bank Bribery Act and the Foreign Corrupt

Practices Act. This Policy establishes Regions' requirements to conduct business activity in an honest and ethical manner, with a zero-tolerance approach to bribery and corruption.

## Environmental and Social Risks

A discussion of how Regions evaluates environmental and social risks through our risk management process is provided in the [Advancing Sustainability](#) section of this Report.

## Information Security and Privacy

At Regions, we secure and protect the privacy of personal and financial information we collect, store, process, and/or share in a manner that is transparent and consistent with laws and regulations. We have developed comprehensive Information Security and Privacy Programs, which include robust technical, administrative, and physical controls coupled with policies, processes, and procedures to help us safeguard information against unauthorized disclosure, modification, or destruction and to protect our information systems against unauthorized access, use, modification, destruction, loss, misuse, theft, or denial of service. These programs are regularly reviewed by senior management and the Board, in addition to examinations by internal and external auditors and regulatory agencies who have oversight authority.

Our Code of Conduct, Privacy Policy, and Information Security Policy collectively require confidential treatment of customer information and reinforce our commitment to protecting personal and financial data. All associates (including contracted associates) are required to complete both the Information Security and Privacy training courses within 30 calendar days of their start date and again annually. Associates who have direct contact with certain data types (e.g., Protected Health Information) are also required to complete a more detailed training course on an annual basis. Third-party vendors are routinely assessed to ensure they have appropriate security and privacy training, controls, and monitoring in place.

### Privacy

Our Privacy Policy governs all business groups and associates and is a statement of our commitment to controlling and mitigating privacy risks. This commitment

is an important part of Regions' dedication to promoting the highest standards of behavior in all aspects of our practices. The Privacy Policy is reviewed annually and all associates (including contracted associates) and third-party vendors must adhere to this policy.

In addition, the Regions Privacy Pledge, also referred to as the privacy notice, is provided to all customers upon establishing a new consumer relationship or account with Regions. It explains how we collect, use, and share information and provides customers with instructions on how they can limit information sharing with our affiliates and marketing by Regions through email, phone, and/or direct mail. We post the Privacy Pledge, along with other helpful privacy, security, and fraud prevention resources, on our website.

These privacy programs and policies are overseen by the Enterprise Privacy Office, which is led by our Privacy Officer. The Privacy Officer is responsible for ensuring that:

- Associate training is effective and administered annually to all associates
- Policies and standards reflect legal and regulatory requirements
- Effective controls and monitoring exist within the businesses to mitigate risk
- Procedural and transactional reviews and testing of businesses are performed routinely to ensure the Bank is compliant with our policies and processes
- Privacy issues, trends, or incidents are escalated for prompt attention and resolution



*Regions' Privacy Notice and Privacy Pledge are posted on our [Privacy and Security](#) webpage*

## Cyber and Information Security

Regions has aligned its information security program with the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity and NIST Special Publication 800-53. Additionally, we regularly assess threats and vulnerabilities to our systems, so we can maintain an appropriate control environment to effectively mitigate these risks. The Information Security Program includes layered controls of network intrusion detection and prevention, enterprise malware protection, advanced persistent threat monitoring, and data protection capabilities, and it adopts the philosophy of least privileged for granting access to our systems. Regions regularly tests our detection and response capabilities

through annual penetration tests, ongoing vulnerability scans, and engagement of third-party vendors to perform red-team testing. The Information Security Program is subject to multiple internal and external audits, reviews, and exams annually.

The increasing adoption of technological innovation, transformation, and interconnectedness has resulted in a continuing evolution in the cyber threat landscape. Attacks are becoming more frequent, widespread, sophisticated, and harder to defend. Ransomware, internet-wide vulnerabilities, supply chain compromises, cloud security, mobile malware, politically motivated attacks, and high-profile data breaches have become prevalent. Company perimeter defenses and traditional security controls no longer provide the same level of protection as they did just a few years ago. A new approach and vision, ongoing awareness, continuous adaptation, and effective tools, processes, and governance are all necessary to ensure that our data and information systems are protected. Therefore, we maintain a formal Cyber Incident Response Plan and Team to evaluate and respond to significant events and incidents that may impact Regions or our customers. Additionally, we have placed a computer forensics firm and an industry-leading consulting firm on retainer in case of a breach event.

Our Information Security organization is led by our Chief Information Security Officer (CISO). The CISO develops and executes an enterprise-wide information security strategy that helps protect our customers' information, while also complying with applicable legal and regulatory standards. As part of this role, the CISO manages the development, implementation, and maintenance of the information security infrastructure; oversees the protection of Regions' electronic assets by providing monitoring, detection, analysis, event handling, and containment of security incidents; monitors information security trends internally and externally; and reports to senior leadership and the Board about information security issues and activities affecting the organization.

The Risk Committee of the Board oversees information technology activities and risks including information security risk assessment, strategy, policy, and framework, and disaster recovery, business continuity, and crisis management. In addition, on a regular basis, the Audit Committee reviews our cyber security risk management practices, primarily by receiving reports on our cyber security management program.



*A more detailed discussion on cyber and information security is provided in the [2019 Proxy Statement](#)*

## Mandatory Annual Training

Regions strives to remain a leader in the banking industry and for us, leadership and learning go hand-in-hand. Continuing education is a critical component of our culture and we help associates **reach higher** by providing opportunities to learn about banking, stay aware of the risks Regions faces, and understand our responsibilities to protect our customers and comply with laws and regulations.

In addition to job-specific training, we require that all associates complete mandatory annual courses, called MAC training. These online training courses are revised in response to regulatory changes, industry events, and evolving risks. Completion of MAC training is a condition of continued employment at Regions; new hires must complete training within 30 calendar days from their start date, and then again annually. In addition to the trainings listed below that are required for all associates, additional business unit-specific training is required for certain functions and roles.

**248,932 hours** of MAC training completed by associates in 2018

Regions associates completed the following courses in 2018:



**Business Conduct and Ethics** emphasizes every associate's responsibility and accountability in the areas of conflicts of interest, insider trading/insider information, incentive program ethics, fair and consistent treatment, and discrimination and harassment prevention.



**Fair and Responsible Banking** explains the importance of providing Regions' customers with a fair and responsible banking experience. Associates are provided with the tools to be able to identify key aspects of fair and responsible banking regulations and policies and understand their effects on Regions and our customers, as well as determine and apply fair and responsible banking practices. The course also provides guidelines for avoiding discrimination and unfair, deceptive, or abusive acts or practices and properly reporting customer complaints through the Centralized Customer Complaint Database.



**Fundamentals of Risk Management** reminds associates how sound risk management affects our ability to serve our customers and protect Regions. The course explains the three lines of defense concept, the importance of a strong risk culture, and how shared value helps build that culture.



**Financial Crimes: BSA/AML and OFAC** covers the purpose of the BSA, the USA PATRIOT Act, and Customer Due Diligence requirements as they relate to recognizing, reporting, recordkeeping, and reducing the effects of financial crimes. In addition, the course covers OFAC's requirements, how to comply with OFAC, and Regions' OFAC compliance strategy.



**Information Security** provides associates with training and information on Regions' information security and protection strategy. The course explains user identification and passwords, personal computers, mainframe, e-mail, internet and intranet, remote access, and business recovery.



**Privacy** explains Regions' Privacy Pledge and when to provide it to our customers, as well as the associate's responsibilities related to customer privacy preferences, which includes how and when we communicate with consumers. In addition, this course discusses the red flags for potential identity theft and appropriate associate responses.

# ADVANCING SUSTAINABILITY

Regions is committed to operating our business responsibly. We understand that this will help us create long-term and sustainable value by reducing costs and risks, increasing revenue, enhancing our reputation, strengthening our communities, and helping us meet the expectations of our customers, shareholders, associates, communities, and future generations. To this end, we understand we have an opportunity to promote sustainability and ESG through our interactions with suppliers and customers and in the types of products and services we provide. We work collaboratively with our clients, communities, and other stakeholders to promote environmentally sustainable and socially responsible business practices. We also understand that taking into consideration sustainability factors can reduce our risk exposure and, simultaneously, allow us to take advantage of new markets and opportunities.

## Environmental and Social Risk Management

As a company in the financial services industry, we acknowledge the unique risks and concerns surrounding the environmental and community impact of our lending practices, including climate change. As part of our risk management process, we have a dedicated industry team, the Energy and Natural Resources Group (ENRG), that underwrites exposure to energy and natural resources clients. The team has a broad and deep understanding of these industries and their environmental and social impacts. Our credit policies and procedures require the involvement of ENRG based on a client's primary NAICS code. Certain sectors, such as coal, utilities, and oil and gas have been identified as requiring heightened due diligence surrounding environmental and social impact, compliance with regulations, and other subsector-specific factors, such as diversification of fuel mix. In addition to expanded underwriting requirements, elevated approvals are required from senior credit executives, and these customers are monitored no less than annually per Regions' loan policies.

Regions has also established industry concentration limits that are approved by the Bank's management-level Credit Risk Committee. These limits are monitored by the Risk Analytics team, who report to the Chief Risk Officer. Industry exposures are measured each quarter and reported to the Credit Risk Committee to ensure that industry exposure remains within risk tolerances.

Finally, ongoing training of Regions associates ensures compliance with our stated risk appetite and related rules and regulations. Various lines of business within the Corporate Banking Group hold semi-annual calls that discuss updated industry information, new lending regulations, or other topical issues related to Regions' risk appetite. Additional informal training for emerging topics (such as natural disasters) is handled either by internal committees or as agenda items for regularly scheduled line of business meetings.

### Coal Mining and Mountaintop Removal

Regions' Energy and Natural Resources White Paper, an internal document that defines our risk appetite, identifies many of the heightened environmental risks in lending to coal mining companies. This document is updated periodically and reflects Regions' decision to not lend to companies that use mountaintop removal mining practices to extract more than 5 percent of their total annual tonnage. In addition, extensions of credit to coal companies require enhanced due diligence with respect to legal and environmental compliance, as well as approval from Credit Officers within the ENRG approval chain. Regions manages its coal exposure as part of the Energy and Natural Resources portfolio, and commitments to coal companies are reported on a quarterly basis to senior management.

### Risk Ownership and Awareness

Environmental and social risk management is also integrated into our Risk Ownership and Awareness process—the three lines of defense.

**The first line of defense** (e.g., client managers or debt product officers) owns and manages the risks that Regions faces in its day-to-day operations. Environmental and social risks, such as environmental impact, legal compliance, and safety issues present in a client's operations or credit transaction, would be identified by Regions associates in first line of defense roles.

**The second line of defense** (e.g., credit officers) assesses risk and oversees the risk-taking activities of the first line of defense. Second line of defense associates need to agree with the first line's assessment of risk, including environmental or impact to the community, before a transaction can move forward to approval.

**The third line of defense** (e.g., audit and credit review) performs independent reviews and assessments of risk management practices of the first and second lines of defense. Regions' specialized and geographic portfolios

are examined on a regular basis to ensure compliance with existing loan and monitoring policies. If environmental or social issues surface with a client after the underwriting of a transaction has closed, review by the third line of defense ensures that such issues receive an appropriate post-closing evaluation.

In the event the third line of defense determines that an action plan must be established to mitigate an identified risk or operational issue, the first and second lines of defense are tasked with developing and executing the plan within a given timeframe. The third line of defense monitors and audits the actions taken to ensure the heightened risk has been appropriately mitigated.

## Environmental Policy

Regions also has a stand-alone environmental policy with which all commercial loans, including those underwritten in the specialized portfolio, must comply. This policy sets requirements for enhanced due diligence, which can include the completion of an environmental questionnaire, a government record search, or an environmental site assessment. The extent of due diligence required is based on the risks identified during the underwriting process and the loan value. Regions' Environmental Risk Manager (or designee) and/or the Chief Risk Officer or Financial Risk Executive must sign any transaction that contains an exception to this policy.

## Sustainable Financing

The Solar Power Finance team at Regions supports the development and implementation of clean energy solutions for our Corporate Banking clients. Since 2016, Regions has provided capital in the form of sale-leasebacks to leading developers of utility scale and commercial photovoltaic (PV) solar projects across the U.S. By helping bring these projects to market, a portion of the traditional power supply is offset by carbon-free generation.



**370 MW** in generating capacity from funded solar projects since 2016

In 2018, we provided \$300 million in funding for eight individual PV solar projects located in Alabama, California, Tennessee, Vermont, and Washington. These projects consist of ground-mounted PV solar farms, as well as rooftop- and carport-mounted facilities located at universities. Overall generating capacity from these solar projects is 147 megawatts.

In addition, the ENRG specializes in tailored financing products and services for renewable energy projects. Our offerings include advisory and financing services to energy companies in conjunction with mergers and acquisitions, as well as issuances of bonds. The ENRG works closely with the Solar Power Finance team and commodities team to raise capital for renewable energy clients with solutions ranging from highly structured project finance to standard financing offerings.

We also provided construction funding to support the construction of projects and advised clients on green bond issuances and potential acquisition opportunities. As our platform continues to grow, we expect to execute on those bond and advisory opportunities in 2019.

## Responsible Asset Management

Regions' Wealth Management Group provides individuals and institutions with products and services to help them manage and grow their assets. Our Asset Management team includes the Portfolio Management Group, which structures and reviews client portfolios; the Investment Research Group, which selects third-party investment managers for Regions portfolios; and the Investment Management Group, which is a registered investment adviser that manages proprietary fixed income and equity strategies. These groups oversee \$30 billion in combined assets. In 2018, the Investment Research Group expanded the products offered by Regions to include two equity and two fixed income ESG-focused products to our recommended list.



Added **4** ESG-focused investment products

## Sustainable Forestry

In addition, the Natural Resources and Real Estate Group within Wealth Management manages natural resources properties held in trusts, estates, and agency accounts. As one of only a few banks that directly manages land and timber for clients, Regions demonstrates a commitment to sustainability and forestry best practices. Relying on a staff of more than 40 natural resource professionals and registered foresters, Regions is responsible for the sustainable management of approximate 1 million acres of timberland across 15 states. Regions adheres to all applicable state Best Management Practices (BMPs) for Forestry. Our forestry management efforts and state BMPs

are implemented to improve water quality, carbon sequestration, and wildlife habitat.

In addition to following BMPs, a portion of the timberland acres managed by Regions' foresters is certified under the 2015-2019 Sustainable Forestry Initiative Standard or the 2015-2020 American Tree Farm Certification Standard. Both third-party certification systems promote sustainable forestry practices aimed at protecting water quality, biodiversity, wildlife habitat, species at risk, and forests with exceptional conservation value.

## Supply Chain

We view our vendors and suppliers of goods and services as extensions of Regions. We expect that they maintain our same high standards of integrity, operate responsibly, and support our mission to create shared value.

## Supplier Diversity

Regions is committed to increasing supply chain opportunities for certified diverse suppliers by providing access to contracting opportunities and supporting supplier development. The supplier diversity initiative at Regions focuses on building supply partner relationships with U.S.-based small and disadvantaged businesses and those that are owned and controlled by minorities, women, veterans, disabled individuals, and LGBT individuals.

## Creating More Opportunities

In carrying out our day-to-day business, Regions contracts with thousands of suppliers, many of whom subcontract goods and services related to the work they perform for us. Several measures have been incorporated into our processes to encourage our prime suppliers to create more subcontracting opportunities for high-performing diverse business enterprises. We also continually strive to increase minority supplier spend. In 2018, we expanded our efforts by launching the Building Your Future Program, providing business development opportunities to enhance diverse supplier partnerships.



To learn more about our supplier diversity program, go to our [Supply Partners](#) webpage

## Vendor Code of Conduct

In early 2019, we adopted a Vendor Code of Conduct, which reiterates the expectation that vendors adhere to all applicable provisions of our Code of Conduct. The Vendor Code of Conduct also sets forth expectations for working conditions, human rights, ethical business practices, and environmental conservation. At a minimum, Regions requires its vendors and their subcontractors to fully comply with all laws and regulatory requirements applicable to their business activities. We emphasize, however, that we seek to do business with vendors that go beyond legal compliance and help us achieve our commitments to environmental and social objectives.



The [Vendor Code of Conduct](#) is available on our [Supply Partners](#) webpage

## Human Rights Statement

Honoring and affirming protections for human rights is embodied in our values and mission. Regions' support of fundamental rights is also reflected in our policies and in our everyday interactions with associates, vendors, customers, and the communities where we do business.

We strive to conduct business in a manner that is consistent with fundamental human rights principles, such as those stated in the United Nations Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We are committed to maintaining a work environment where every associate at every level is treated with dignity and respect, free from discrimination and harassment, and can devote their full attention and best efforts to their job. These same standards apply to our interactions with customers and others with whom we do business, including vendors, contractors, and subcontractors. Regions expects that the entities we do business with also respect individual human rights and conduct their business operations free from human rights abuses, such as forced or child labor, human trafficking, and slavery.



The [Human Rights Statement](#) is available on our [Corporate Governance](#) webpage

# ASSOCIATES

We believe that we are only as strong as our associates. This is why Build the Best Team is part of our strategic priorities and **put people first** and **enjoy life** are two of our core values. In order to build that team, it is necessary for us to identify talent during the recruitment process and invest in our associates' professional development once they join Regions. Throughout an associate's career, we emphasize professional development through opportunities such as technical, individual, management, and leadership training programs; formal talent and performance management processes; and sustainable career paths. Regions does not want to simply provide jobs. We are one team, focused on investing in the careers, lives, and well-being of our teammates.

## Human Capital Metrics

 **19,969** full-time equivalent | **20,274** headcount

 **66%** female and **34%** minority associates

 **1,135** average number of open requisitions

 **6,552** total hires

 **34.7%** of hires were internal fills

 **\$22 million** spent on development and training

All data as of December 31, 2018.

## Associate Engagement

Regions seeks to maintain a culture that best positions us to attract, engage, develop, and retain top talent that positively contributes to our culture and our business. A fundamental component of building the best team is understanding what parts of our culture drive motivation and engagement. Engaged associates are our greatest resource, and the enthusiasm and dedication they bring to work makes life better for their fellow associates, our customers, and the communities we serve. Measuring engagement helps us understand how we can improve and strengthen our culture and fulfill our mission.

### Associate Engagement Survey

Every year, Regions distributes an anonymous online Team-Associate Engagement Survey to measure engagement. Through this survey, associates answer questions to capture how they feel about their workplace

experience at Regions. Anonymous survey results and resources are provided to managers, who then share the results with their teams. Teams take time to celebrate the great things they are already doing and evaluate opportunities to adopt new practices that will positively impact their goals and performance. Managers and their teams collaboratively identify performance goals and the survey items that can contribute to the attainment of those goals. By determining a plan of action, as well as individual ownership of actions, each team is unified in achieving shared goals. Once the plan is put into action, teams regularly discuss progress and recalibrate as needed.

Beginning in 2018, instead of one annual survey, associates are surveyed twice at different points throughout the annual review period. This shift in survey distribution is a new, proactive way to pulse the engagement of our associates; however, the goal of these surveys remains the same as in years prior: to create a strong, more productive workplace that helps teams create shared value.

<b>7</b> years of surveys	<b>53.7%</b> increase in the percent of associates considered "Engaged" from 2012 to 2018-2019
<b>92%</b> average associate participation rate* <small>*7-year rate</small>	<b>4x</b> winner of Gallup Great Workplace Award
	<b>1</b> Gallup Manager of the Year recipient <b>2</b> Gallup Manager of the Year finalists

The engagement survey itself provides important benchmarks about associate engagement, but it is through our leaders and their teams where the real work of engagement is managed. Regions' leaders receive a variety of tools and resources to engage their teams. What we learn from these efforts helps us understand how engagement impacts associates in different departments and roles, teamwork, and our overall performance.

Regions has been recognized for our efforts in engaging associates and building a strong culture through industry awards. In 2018, Regions received the Gallup Great Workplace Award for the fourth year in a row. This award recognizes organizations that embrace engagement and make it a fundamental foundation of their business.

## Evergreen Week

Although associate appreciation takes place throughout the year, Regions specifically honors associates every September during Evergreen Week. Evergreen Week is a time when managers thank associates for their hard work and dedication, celebrate how associates work together to deliver the best results in the right way, and show appreciation for associates' unique talents and contributions to our Company. Each year we develop a new Evergreen theme that guides the activities for the week. In 2018, the theme was Celebrating Team Regions, and we celebrated what makes Regions strong: a culture that values integrity, respect, diversity and inclusion; our commitment to teamwork; and our focus on continuous improvement. All associates also receive an extra day of paid vacation as part of Evergreen Week.

## Better Life Award

The Better Life Award is the top award given by Regions to associates for outstanding dedication to customers and the community, as well as job performance. Presented monthly to one associate who lives the Company's values, the award recognizes an associate who has gone beyond what is required to make life better for others. All associates are eligible to nominate a coworker—or be nominated—for the award. Our CEO honors recipients at the Company's headquarters during a meeting broadcast to all offices. Recipients receive an additional week of paid vacation and a \$1,000 donation in their name made to the nonprofit organization of their choice.

## What our associates are saying about Regions, our workplace, and culture<sup>(1)</sup>...

*"Thank you for investing in your employees. It makes a valuable impact."*

- Wendy, Florida (reacting to the 401(k) Plan contribution match increase)

*"Regions' greatest strength is its people. The fact that our Company makes engagement a top priority makes me proud to be an associate and shareholder. Thanks Regions!!"*

- Joe, Alabama (responding to Regions receiving the Gallup Great Workplace Award)

*"This is awesome! Another reason why Regions is a great place to work!"*

- Kim, South Carolina (commenting on an article about Regions' environmental efforts)

*"I am so thankful for this opportunity for my daughter, and excited for all the winners! Thank you so much to Regions for their support!"*

- Leigh, Texas (responding to the announcement of Regions' dependent scholarship winners)

*"I am happy to be part of giving back to our community and happy to work for a company that believes in giving back to their community."*

- Nichole, Alabama (commenting on associate involvement with community organization)

(1) All of the quotes are taken from the comment section for articles posted on our life@regions intranet site.

## Diversity and Inclusion

The success of our business depends on people, which is why Build the Best Team is one of our most enduring strategic priorities. We believe the best teams are diverse teams, and we are committed to creating an environment where all associates are included and have a sense of belonging.

In 2018, to further solidify this commitment, Regions created a Diversity and Inclusion Center of Expertise, led by our Head of Diversity and Inclusion. The addition of this Center is a continued step in building a stronger diverse culture that also fosters a sense of inclusion and belonging across all levels of our organization. The Center is charged with developing and implementing actionable programs and initiatives focused on attracting and retaining qualified diverse talent, as well as identifying and developing our internal diverse talent pipeline. Additionally, the Center develops training and incorporates best practices to build a culture of inclusion.

In addition to the Center, we continued the efforts of our Regions Diversity Network, a cross-section of associates from all levels who work together to advance our comprehensive diversity strategy and create greater

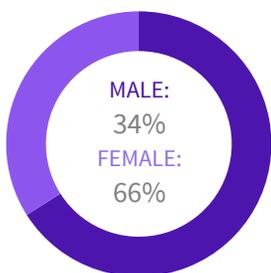
multicultural awareness within Regions. In 2017, we established Diversity Network chapters in the Midwest, Texas, and South Florida, and we are preparing to form new chapters across our footprint in 2019. We are also focused on education and training around equal opportunity and diversity and inclusion. These topics are covered in our required training courses, namely the Business Conduct and Ethics course and the Respect in the Workplace course. In addition, managers receive additional training as part of their Effective and Compliant Interviewing course and Leading the Regions Way: High Performance Teams workshop, an instructor-led course that has a focus on inclusion. We also plan to launch four e-learning courses in 2019. The first is an all-associate session that provides a definition of diversity and unconscious bias, along with examples of best practices for promoting inclusion. The other e-learning courses are geared towards managers and focus on unconscious biases and strategies for recognizing and overcoming those biases.

Our commitment to diversity and inclusion is supported by executive management and associates, and our efforts are overseen by the CHR Committee. We understand that our strategic approach to diversity and inclusion is not only a business imperative; it is the right thing to do.

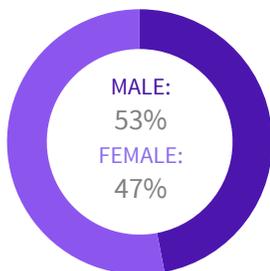
### Diversity Metrics

#### Gender

##### Total Workforce

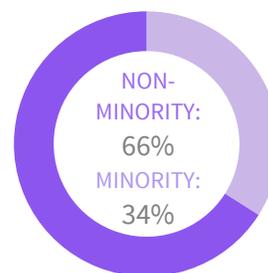


##### Officials and Managers<sup>(1)</sup>

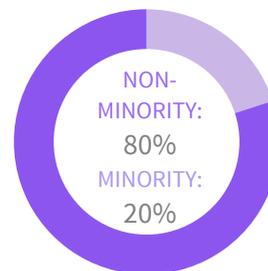


#### Minority

##### Total Workforce



##### Officials and Managers<sup>(1)</sup>



All data as of December 31, 2018.

(1) Officials and Managers metrics are calculated using the EEO-1 job categories: Executive/Senior Level Officials and Managers and First/Mid-Level Officials and Managers.

## Conversations with Clara

To further dialogue on diversity and inclusion, Regions started a new series of candid, topical forums hosted by our Head of Diversity and Inclusion, Clara Green. One of the first conversations was with Regions' President and CEO, John Turner. This conversation was open to all Regions associates and was broadcast live to Company offices across our footprint. It reflected how diversity and inclusion, together, is a key priority for Regions—and one that is championed by the Company's top leaders.

Throughout 2019, we will use an inclusion observance calendar as a means to structure many of our inclusion activities, including future Conversations with Clara. This is a great way to more deeply understand the things we have in common as well as those things that make us different, as we continue to strengthen our culture of inclusion.

## Recruiting Talent

Our associates are the enablers of our success, and we seek to recruit a diverse group of talent that shares our values and mission of making life better. We believe our associates deserve more than just a job. We offer performance-driven individuals a place where they can build a career—a place to expect more opportunities.

One way that we recruit top talent is through the Emerging Talent Program, an important talent management tool that sources talent from various colleges and universities. The program focuses on localized, experiential development that includes progress points and ongoing enrichment activities designed to prepare individuals for future roles in the organization. Many associates begin their journey by evaluating their interest in the Company through one- or two-year internships. When the Company and personal interests align, associates are offered full-time positions. In 2019, we plan to expand our efforts to include internal junior talent for some of our business unit programs.

## Recruiting for a Diverse Workforce

Regions is committed to hiring candidates with diverse backgrounds and experience. We make a concentrated effort to attract diverse talent through various recruiting initiatives and collaborative efforts. Our Human Resources team also works closely with organizations to conduct job readiness presentations, mock interview sessions, and resume building workshops.

In 2018, Regions accepted the Bipartisan Congressional Historically Black Colleges and Universities (HBCU) Caucus' Partnership Challenge, which aims to encourage corporations to make greater investments in HBCUs. Since making this commitment, Regions has made additional financial contributions in support of HBCUs and will be introducing an HBCU recruitment strategy in 2019.

We are also committed to employing veterans and military members who are seeking opportunities in the financial services industry. In 2017, Regions made a public statement of support through the Employer Support of the Guard and Reserve and issued a separate statement of support through Military.com in 2018. We also emphasize recruitment through military-focused career programs, fellowships, and on-base recruiting, and in 2019, we will implement a new military transition program.

### Looking ahead

In 2019, we plan to launch a new Corporate Alumni Program, which will increase our ability to stay in touch with associates who choose to leave or retire. Alumni will have access to a portal where they can remain connected to Company news and information. Similarly, we will attempt to leverage those associates' experiences with Regions through networking events and mentoring opportunities. The program will also serve as a recruitment tool.

## Benefits and Wellness

We believe that supporting our communities begins with our associates. We strive to make life better for associates by offering a benefits package that:

**Prepares associates for retirement.** Over 90 percent of Regions associates participate in our 401(k) Plan. For eligible associates who are not accruing a benefit in the Regions Financial Corporation Retirement Plan (a defined benefit plan closed to new participants), we make an annual 2 percent contribution to their 401(k) Plan, regardless of whether or not they contribute themselves. We also match associate contributions and announced an increase in the match from 4 percent to 5 percent beginning in 2019.

**Supports them in balancing their personal responsibilities and work life.** We provide a range of programs to help associates and their families get more out of life, including an employee assistance program, an associate financial fitness program, tuition reimbursement, dependent scholarships, adoption assistance, a Company match for eligible charitable contributions, and TeamGreen Banking, which provides associates with discounts on home equity loans, mortgage loans, and other banking services.

**Promotes health and wellness.** We provide coverage to associates working at least 30 hours per week that is both comprehensive and affordable to them and their families. Associate health insurance costs are progressively aligned with compensation so that entry-level associates pay the lowest available out-of-pocket monthly premium. We also offer wellness programs and incentives that encourage healthy choices to all associates.

**Provides financial security in the event of disability or death.** Regions provides both life and disability insurance to all benefits-eligible associates.

### Regions invests in associates' well-being by:



**Making them retirement ready**  
increased Company 401(k) Plan matching contribution



**Supporting parents**  
enhanced our family leave benefits



**Providing growth opportunities**  
focused on career paths and raised the entry-level wages

## Supporting Parents

We recognize that the birth or adoption of a child can be a stressful time of transition financially and from a work-life balance perspective. As a result, we expanded our parental leave benefits to reflect our commitment to support our associates and their families. Beginning in 2019, we will provide 12 weeks of fully paid leave for birth mothers and six weeks of fully paid leave for birth parents, including domestic partners, and adoptive parents.

Regions also provides associates with a prenatal wellness program, Baby Yourself. The service provides expectant parents with support and educational materials, including access to a personal nurse that they can call with questions or concerns throughout their pregnancy.

## Entry-level Wage

We raised the entry-level wage to \$15 an hour over the course of the year. Benefits of tax reform allowed us to accelerate our plans to increase wages and make this investment in our associates sooner than initially planned. This change benefited approximately 25 percent of our workforce and represents an investment of more than \$20 million a year in our community economies.



*Additional information is available on our [benefits webpage](#)*

## Talent Management

Regions' Talent Management Program assesses the strengths of our associates and builds talent pipelines for the future. Through this program, Regions employs a consistent, continuous approach to talent assessment, identification, and development. Because we believe talent management is something that happens every day, we identify events and actions throughout the year to prompt assessments, conversations, and feedback. The most expansive event in our talent management process is the career check-in. At all levels of the organization, managers and associates are encouraged, at least annually, to pause and discuss each associate's career progression. Associates, who are expected to drive their career planning, take the first step by completing a guide and setting time with their manager to have a discussion. These discussions are unique to each associate and manager pair, but they provide for an opportunity to drive collaborative planning and create commitments to associate development.

Spreading the talent discussion out over the course of a year provides the best opportunity for managers to dive more deeply into the most critical pools of talent within their organizations. Whether the focus is on emerging talent, diversity, high/low performers, or high/low potential associates, each business unit matches their talent discussions to the needs of the business. Similarly, succession planning focuses first on the most critical positions with the greatest possibility for turnover. Incorporating plans that attempt to match our best suited talent for our most critical positions allows us to prioritize our resources and effort into those situations that will generate the greatest return for our associates, the organization, and our shareholders.

In order to best support talent decisions and internal mobility of talent, managers routinely assess associate potential, performance, behaviors, competencies, and skills. Associates play their part in the process by regularly updating career interests, mobility preferences, training, education, and certifications.

## High Performance Teams

Regions' leaders are expected to deliver performance outcomes through a strengths-based, engagement-focused, performance-oriented, and inclusive approach to managing talent. We believe that these four management principles can inspire true performance growth for associates, teams, and the Company.

During 2018 and 2019, people managers will participate in a one-day Leading the Regions Way: High Performance Teams workshop that focuses on the management principles. The course provides a framework for leading associates in the rapidly changing landscapes of the workforce and banking. The workshop offers leaders the opportunity to practice with tools and resources that help them set expectations, coach effectively, and create accountability.



### Strength-Based Managers

- Believe that associates' talents are their best opportunity for success
- Are mindful of their own individual talents and assume responsibility for developing them
- Understand and appreciate their associates' talents and strengths and use this information to uniquely set up each person for success



### Engagement-Focused Managers

- Genuinely care about all people on their team and help all associates grow in their roles
- Build a team culture of collaboration, partnership, and inclusivity
- Focus on the engagement of their associates and team and ensure that associates' workplace needs are met



### Performance-Oriented Managers

- Set clear expectations and performance goals for each individual and the team as a whole
- Provide strengths-based feedback and direction to assist associates in reaching the right outcomes
- Make adjustments to help their associates and team make the right decisions and take action

## Learning and Development

Regions is dedicated to skill building and development for every associate. We understand that to Build the Best Team, we must not only recruit and retain talent, but also assist associates with their development and professional growth.

Associates have the option to develop skills that will help them grow in their current role or prepare for other roles that may interest them. Our training programs are designed to enhance the talent levels of associates by delivering impactful and timely learning solutions that contribute to building teams and the Company's growth.

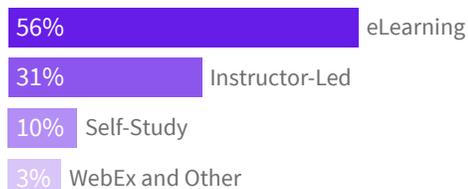
### Associate Training Metrics

**\$22 million** invested in associates' learning and development

**911,172** training hours

All data as of December 31, 2018.

#### Training Hours by Delivery Method



#### Training Hours by Category (in thousands)



## College and University Partnerships

We also work with universities and institutions to provide associates with additional learning and educational opportunities specific to their roles. These include:

**Kennesaw State University:** Regions works with the University to conduct Family Enterprise Advisor training to equip Relationship Managers and Wealth Advisors with skills to be distinctive in their approach to delivering services.

**Vanderbilt University:** Through this executive development training program for our Client Advisors, senior sales professionals gain valuable knowledge, experience, and additional consultative skills that make them better business advisors to Regions' clients.

**Samford University:** Regions works with the Brock School of Business to develop and deliver professional and technical skills training to associates and managers.

**Human Capital Institute (HCI):** We offer HCI Corporate Memberships to human resources professionals and business leaders to provide them with resources that help build deep expertise in key functional areas; expand knowledge and networks; stay on top of current trends; and gain fresh insights and learn about best practices.

**Harvard ManageMentor®:** Associates are provided with access to ManageMentor, a premier on-demand learning and performance resource for leadership and management skill development.

Through Regions' tuition reimbursement program, all associates are eligible for up to \$5,000 each year in reimbursement for business-related undergraduate degree courses. In 2018, associates were reimbursed approximately \$355,000.

## Preparing for a Changing Work Environment

Automation, cognitive technologies, and the open talent economy are reshaping the future of work. While we recognize the importance of technology to enrich the customer experience, we believe that our associates remain our greatest competitive advantage. For this reason, we continue to invest in our associates so that they are empowered with the best skills and tools—including digital technologies—to more efficiently and effectively meet the needs of our customers.

We are committed to preparing our workforce for a rapidly changing environment and understand that reskilling and upskilling our workforce is crucial to staying competitive and to retaining valued associates. We implemented learning solutions intended to help our associates become future work-ready and to gain the skills they will need in tomorrow's workplace. The Build the Best Banker program is a series of learning solutions that prepares bankers to handle a range of customer transactions, while helping customers make better financial decisions. Even as digital capabilities transform our industry and consumers increasingly conduct transactions through technology, we believe technology enhances the value of a personal, trusted relationship between the customer and a banker. The Build the Best Banker learning journeys equip bankers to meet the needs of our customers today and into the future.

Regions' technology associates have access to over 5,000 on-demand courses that offer intensive learning in application development, IT operations, information security, and technology architecture. This learning solution also offers professional development for data and business professionals. Regions also provides access to a full suite of courses to almost all associates, regardless of whether the application is needed in their current role. In addition to helping our associates become future work-ready, Regions believes that associates benefit from being "change-ready" and has developed a series of courses that address change readiness and barriers to willingness to change. The series also guides associates through problem solving and provides a roadmap and tools for moving through change.

While Regions has made considerable investments in the development of our associates, our focus on continuous improvement has led us to onboard a learning experience platform that connects learners with opportunities to acquire more skills for tomorrow's marketplace. This platform creates an ecosystem of learning resources using data science and algorithms to provide curated learning paths that connect associates to Regions' proprietary content, vendor-provided content, and open source content. Learning is also based on the associate's critical skills and role requirements, personal interests, and career aspirations. This ecosystem allows associates to build, measure, and communicate their skills.

# CUSTOMERS

Our core value of **focus on your customer** and doing what is best for them is the foundation for our services. This approach drives the way we think, how we treat each other, and the type of service we provide. By consistently providing superior customer service, we strengthen loyalty and deliver a better customer experience.

We have several programs in place to gather feedback from customers and measure how we serve them. Our efforts around the customer experience are based on:

- **Success:** Making sure our customers can accomplish their banking needs
- **Effort:** Ensuring our customers can meet their goals using any delivery channel we offer, as easily as possible
- **Emotion:** Treating customers in such a way that they feel good about their relationship with Regions
- **Passion:** Employing people who are passionate about helping customers meet their financial needs

Our associates work together to ensure that quality service is ingrained in our culture through:

- "Voice of the Customer" programs designed to gather the opinions and thoughts of our customers, in order to help us measure our service
- Managers who are focused on and constantly monitoring our service and providing daily service quality coaching to associates
- A team of associates from across the Bank charged with ensuring we maintain focus on the customer and our strategic priorities
- Managers who continually review our processes to make sure we enhance the customer experience at every opportunity



Top **10%** in customer loyalty per Gallup study

## 2018 Customer Service Awards and Recognitions

Customer service is the hallmark of our business, and our consistent commitment to delivering a positive customer experience has resulted in the Company receiving top-ranked satisfaction scores by third-party organizations.



Highest Rated Traditional Bank in 2018 US Banking Study



**BARLOW RESEARCH ASSOCIATES, INC.**  
VOICE OF THE BUSINESS CUSTOMER

Barlow CAMEL Award Recipient for Small Business Banking



14 Greenwich Excellence Awards in Middle Market and Small Business Banking



Top Rated Traditional Bank in 2018 Kantar CX+ Ranking

## Focus on the Customer

Regions is a relationship bank, and while we are investing in technology to make banking easier for our customers and associates, we are also maintaining our customer-centric approach to banking and ensuring that we continue to execute on our Regions360 customer needs-based approach to banking.

### Regions360®

Regions360 puts customers' needs at the center of every interaction and shapes the way we cultivate relationships. By taking a deliberate, prescriptive approach to identifying customer needs, our bankers work as a team to bring customers our best: our best thinking, our best products, our best services, and our best solutions. Customers benefit from practical solutions they need and will use, and Regions benefits from broadening customer relationships that deliver long-term quality growth. Regions360 delivers shared value for customers and our Company because we are doing what is right for customers and helping them succeed financially by providing competitive products in a transparent and trustworthy manner.

Our bankers bring Regions360 to life every day by:

- Identifying customers' financial goals and needs through quality conversations
- Providing practical and balanced solutions to help meet those goals
- Offering financial advice and guidance to help customers make better financial decisions
- Introducing expertise by bringing in the right Bank partners to help meet complex needs with a "one bank, one team" approach
- Offering customers the best experience possible through relationship teams who are committed and engaged

### A New Way to Bank

Technology is having a profound impact on all the channels that traditional banks provide, including branches, ATMs, call centers, and web applications. While more and more customers prefer to do their banking remotely through digital banking, many still want the option of talking to a banker at a branch, especially for more complex needs, such as financial advice and loans. To adapt to this change, all of our branch associates are trained through our Build the Best Banker program to handle the full spectrum of customers' needs and help

them with a range of transactions, from opening an account and cashing a check, to applying for a mortgage and retirement planning.

Our newly designed branches do away with the teller lines and instead use private workstations to allow bankers to engage in more personal conversations with customers, including discussions about their life and financial goals and how Regions can help them meet those goals.

We are also investing in video banking ATMs. Through these ATMs, customers throughout our footprint can interact with a live banker. Not only can customers complete more complex transactions through this service, but it also extends our banking hours, with video bankers available until 9 p.m. ET during the week and 6 p.m. ET on weekends.

### Looking ahead

In 2019, we will launch Bank Your Way, a new approach aimed at making banking easier for our customers and ensuring that they know about the services and options available to them. Bank Your Way focuses on bankers educating customers—new and existing—about what we offer and showing them how to use our services on their mobile device, online, or at our ATMs. It is designed to capitalize on opportunities that come up every day in our branches and to use those opportunities to add value to customers' relationships by showing them faster and more convenient ways to meet their needs. For example, instead of simply offering to process a transaction request for a customer, our bankers will show the customer options on how to handle those types of transactions faster and easier, such as taking the customer through the steps of depositing a check with Regions' Mobile application.

## Fair and Responsible Banking

Regions customers and communities are at the heart of our businesses, and we are strongly committed to treating prospective and existing customers in a manner that is equitable, transparent, fair, and consistent with consumer protection laws and regulations. Regions is committed to offering products and services based on an assessment of customer needs, and we have prohibitions against engaging in any acts or practices that are unfair, deceptive, abusive (UDAAP), or predatory. All Regions associates are expected to adhere to both the letter and spirit of fair and equal treatment laws and principles, not

simply because they are the law, but because fair and responsible banking principles are built into Regions' corporate values and it is the right thing to do. Ultimately, our commitment to fair and responsible banking is a responsibility of every associate.

Regions established a Fair and Responsible Lending (FRL) Policy to which all lines of business are expected to adhere. Additionally, Regions is strongly committed to making the financial products and services we offer available to prospective and existing customers on a fair and responsible basis. Accordingly, Fair Banking Compliance, a component of Risk Management, is an essential part of Regions' business and growth strategies. Fair Banking Compliance identifies, measures, mitigates, monitors, and reports compliance with all fair lending laws and UDAAP. Regions, as part of its overall Compliance Management Program, works to foster and promote a culture of compliance with regulatory requirements, internal policies, and industry guidance impacting consumer and business products and services.

All Regions associates are required to complete mandatory annual training courses related to Fair and Responsible Banking, Risk Management, Business Conduct and Ethics, and other topics. All associates have a responsibility to adhere to Regions' FRL Policy, as well as to ensure all aspects of the lending process, including application, underwriting, closing, servicing, and beyond are executed consistently, fairly, and accurately without regard to any specific characteristics or basis as prohibited by law.

Regions' commitment to lend fairly and responsibly is incorporated throughout the product lifecycle, as well as in product development, advertising, marketing, training, and customer assistance programs. Regions also established credit policies, procedures, and product guidelines that direct all phases of the lending process, including mortgage lending, and govern activities such as pricing, product eligibility, servicing, and other functions of offering and extending credit.

Our Mortgage team specifically designed a program to meet Regions' fair and responsible banking commitment. This program includes, among other items, a needs-based, customer-focused strategy designed to ensure transparency and clarity throughout the loan process. A new online mortgage application was introduced in 2018, which, along with the consumer portal, creates increased efficiencies, allows borrowers to track loan progress, and assures that borrowers receive the information necessary to make informed decisions during the origination process. A communication and training plan was also developed to ensure all mortgage associates understand our fair and responsible banking/lending commitment.

## Fair and Responsible Banking Objectives

- ✓ Inform customers about products and services that meet their needs and give them the information they need to use these solutions appropriately
- ✓ Share product communications and disclosures in a clear, transparent way
- ✓ Deliver financial education to customers and communities
- ✓ Improve customer satisfaction and loyalty through fair and responsible banking practices
- ✓ Comply with all regulations and laws related to fair and responsible banking

Regions customer clarity documents, in both English and Spanish, to tell customers in plain language about our products and services. These Regions Quick Guides® support our Regions Simplicity Pledge®, which is our commitment to providing customers with the information they need to make good financial decisions and to understand how their accounts and services work.



*The Regions Quick Guides and Regions Simplicity Pledge are posted on our [Clarity and Transparency](#) webpage*

## Customer Complaint Program

Regions' Centralized Customer Complaint Program is one of our many Voice of the Customer feedback sources used to identify opportunities to enhance our products, services, and the customer experience. This enterprise-wide program helps us ensure that each individual customer complaint is addressed, and it also allows us to identify complaint trends and areas for improvement. Key components of the program include:

- A centralized application that is used to record customer complaints and any actions taken to resolve the customer's concerns. All associates, regardless of their role, are trained on the program and have access and a responsibility to ensure customer complaints are recorded in the application.
- A process to ensure every customer complaint is reviewed for timely and thorough resolution.
- A centralized team that performs quality assurance reviews on complaints and serves as an ombudsman on our customer's behalf.

- Root cause analysis that is performed by leadership and subject matter experts throughout the Company. This analysis is used to identify and correct systemic issues, and find ways to enhance our customers' experience, products, and services.

## Sales Practices

A company can be successful in a variety of ways, but how it achieves that success is just as important as the success itself. At Regions, our values and our culture serve as the foundation for how we want to be successful—by listening to our customers, understanding their needs, and meeting those needs.

Placing the customer first—before our products or services—ensures that we are working in their interests and helping them reach their unique financial goals. This service-centric culture is reinforced through a series of checks and balances that makes sure we work in our customers' best interests.

Our Consumer Services team ensures that our incentives and management metrics do not measure outputs that could have unintended outcomes. Where appropriate, our bankers only receive incentives for opening accounts that result in the customer using the account or keeping required balances. And, for most products, if a customer closes an account in a predetermined timeframe, incentive credit is charged back to the associate.

As part of our commitment and corporate value to **do what is right** for our customers, our Retail Integrity Team uses a systematic model and analytics-based review process to uncover potential deviation from the spirit and intent of the incentive plan or our approach to meeting customer needs. We created this Retail Integrity Team within Consumer Services to continue evolving our banker oversight program with the changing environment. The Team is tasked with identifying potential risks and elevating them for appropriate action. We also use information from our Centralized Customer Complaint Program and internal Report It! associate hotline to help identify potential instances of sales practices not aligned with our needs-based approach. In addition, all retail associates—from the branch all the way to Consumer Banking executives—must complete semi-annual training on retail integrity. Completion and attestation of this training is required for associates to participate in the incentive plan.

In 2017, we created the Office of Associate Conduct, which partners with businesses and support groups to ensure the Bank's business practices and behavioral actions are aligned with our cultural values and beliefs. This team develops tools and processes to prevent, detect, report,

and remediate inappropriate associate behavior while also serving as a central point of control to ensure coordination and effective investigative procedures occur within groups across the Bank.

## Expanding Access Through Financial Inclusion

The financial needs of the communities that Regions serves are as diverse as the tools required to meet those needs. Regions has displayed a commitment to providing all customers—from the unbanked and underbanked to the very wealthy, and from small businesses to corporate clients—access to the preferred financial tools, industry-leading products, and expert advice and guidance.

### Reaching the Unbanked and Underbanked

According to the 2017 Federal Deposit Insurance Corporation's *Survey of Unbanked and Underbanked Households*, there are 8.4 million unbanked households (where no member of the household has a bank account) and 24.2 million underbanked households (where the household uses a combination of bank products and alternative financial services) in the United States. To serve this population within our footprint, Regions has created an innovative way to provide unbanked and underbanked customers access to alternative financial services from a trusted financial institution, at a lower cost, while offering a pathway to becoming fully banked. This unique commitment to financial inclusion has made Regions a leader among financial institutions.

For millions of households, managing their money means using cash-based alternative financial services. With Regions Now Banking<sup>®</sup>, we offer these services without requiring an account relationship. Once enrolled, Regions Now Banking customers have access to services such as prepaid cards, check cashing, money remittances, in-person bill payments, and money orders. In addition, Regions Now Banking customers can take advantage of Regions financial education and other tools.

Regions Now Banking helps customers take control of their finances and reach their goals using products and services of their choice—with the service, security, strength, and stability of a reputable and trusted financial partner like Regions.

Regions' commitment to financial inclusion requires more than simply having services available. It is critical for Regions to build trust with customers who may feel intimidated by, or suspicious of, banks. Regions associates are trained to understand and empathize with the unbanked customer. As part of our needs-based conversation process, associates explain how the Regions Now Banking products can meet various customer needs, as well as other services that can help the formerly unbanked customer. At the same time, Regions Now Banking products are subject to rigorous internal compliance and risk oversight.

The Regions Now Banking customer segment is one of the fastest-growing within the Company, and it includes both previously unbanked consumers and existing Bank customers using Regions Now Banking services. There are approximately 600,000 active Regions Now Banking households. Roughly 20 percent of customers whose first relationship with Regions is cultivated through Regions Now Banking go on to open a traditional deposit account within 12 months of enrollment.



**600,000** active Regions Now Banking households

### A Day in the Life of an Unbanked Customer

In 2018, Regions associates participated in a workshop on "A Day in the Life of the Unbanked Customer." This workshop challenged participants to complete a variety of financial transactions without using a bank or bank account. Teams were given a check to cash, a list of financial tasks, and two hours to complete them.

By conducting real world transactions just as an unbanked customer would, these associates gained insights and empathy for consumers and the challenges they face managing money. Afterwards, associates shared their experiences and observations. They discussed how Regions Now Banking compared to using a non-bank provider. And lastly, they brainstormed ways they could use this experience in their day-to-day jobs.



Regions Now Banking has opened new opportunities for customers and businesses alike. Regions Now Banking provides several services, including:

**Full Service Check-Cashing:** Ability to cash any check, for any amount, with fees lower than most check cashing stores

**Money Remittance:** Ability to send money to almost anyone for pick up as cash at over 500,000 Western Union locations worldwide

**Regions Now Card®:** A reloadable prepaid Visa® debit card that can be used for everyday spending and ATM access. The card is safe, secure, and has no overdraft fees

**Money Orders:** An affordable alternative to writing personal checks

**In-Person Bill Payment:** Ability to make cash payments for bills such as utilities, consumer loans, and student loans

**Regions Explore Visa® Credit Card:** A savings-secured credit card that allows customers who may not otherwise qualify for a credit card to build or rebuild their credit

### Homeownership

For many, homeownership is an important financial milestone—one that Regions is committed to helping our customers achieve. As part of Regions360, our mortgage originators partner with other Bank associates to provide advice, guidance, and education so our customers can make the best financial decisions. In 2018, as part of our recent organizational changes, the Mortgage originating team joined the Bank's retail branch network in the Consumer Bank. This strategic move increased marketing, educational, and management resources to our originating team to optimize our execution of Regions360 within the communities we serve.

Our Mortgage team supports homeownership in our emerging markets by offering a variety of products, including affordable mortgage products, which seek to meet the specific needs of low- and moderate-income borrowers. Through our own Affordable Mortgage suite of products, Regions provides these borrowers the opportunity to become homeowners with as little as \$500 down, based on borrower eligibility, without the added cost of mortgage insurance.

In 2018, a year in which the mortgage industry experienced lower purchase-money origination volume than in 2017, Regions increased origination of its

Affordable Mortgage suite of products to \$154.6 million, up from \$144.4 million in 2017. In addition to our Affordable Mortgage suite of products, Regions offers other low down payment programs that are available through Fannie Mae and Freddie Mac, the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), US Department of Agriculture (USDA/Rural Housing), and numerous state bond programs. In all, Regions' total affordable loan production in 2018 was \$808.8 million, which represented 17 percent of our total mortgage production.

Regions' Mortgage CRA Playbook formalizes processes and clarifies expectations to drive and monitor superior performance. Our Emerging Markets and Affordable Lending Strategy Workgroup reviews our market-specific CRA plans, assesses results and initiatives, discusses affordable lending production results and fair lending regulatory updates, and reviews our product guidelines to ensure we are maximizing lending opportunities in emerging markets.

Further, understanding that unexpected life events can happen, such as the devastation caused by Hurricanes Florence and Michael, our Mortgage servicing team prioritizes the retention of homeownership by keeping our customers in their homes and offering repayment assistance to customers experiencing temporary or unexpected financial hardships.

### Mortgage Lending Metrics

**\$7.3 billion** in home mortgage lending involving more than 41,000 loans

**\$1.2 billion** to minority borrowers

**\$1.3 billion** to borrowers in majority-minority census tracts

**\$828 million** to low- and moderate-income borrowers

**\$932 million** to borrowers in low- and moderate-income census tracts

All data as of December 31, 2018.

## Small Businesses

Regions recognizes the role that small businesses play in supporting economic development and job creation, and we are committed to providing the tools and support, including financial education, that will allow their business to grow and move forward. As part of our Regions360 approach to banking, our bankers provide small business customers with advice, guidance, and education and work to understand and uncover their needs in order to provide them with the best products and services to meet their financial goals. Regions provides a variety of small business financing options, starting with loans as low as \$5,000.

### Inner City Capital Connections

Regions supports small businesses through our partnership with Inner City Capital Connections (ICCC). In 2018, Regions and community partners brought three no-cost business training programs to approximately 250 business owners in Memphis, Atlanta, and Tampa. Through these programs, entrepreneurs in or near urban or economically underserved communities received business training, insights on management and marketing, and one-on-one coaching to strengthen their businesses. ICCC training is provided by noted business school professors, leaders in the fields of management and finance, and our bankers. Customized coaching is also delivered by local professionals whose expertise can help small-business owners develop strategies to reach more customers and, over time, create more jobs. We have been a major sponsor of ICCC programs since 2014.



Read about ICCC on our [Doing More Today®](#) website

### Financial Wellness Seminars

Through the Regions Next Step Elevate program, our bankers conduct financial education seminars and provide other solutions for businesses seeking to foster the financial wellness of their employees, all at no cost to the employer. Regions' financial wellness coaches work with small businesses and other employers to help their employees take control of their financial future, while encouraging their success in the workplace and beyond.



Read about Regions' workplace financial education seminars on our [Doing More Today](#) website

# COMMUNITIES

Our commitment to the communities where we live and work reflects our mission to make life better and create shared value for our customers, associates, shareholders, and the communities we call home. We bring that mission to life by investing our time and resources in programs that bring our customers and communities closer to achieving their financial goals.

In 2018, building on our legacy of community support, we laid important groundwork for a purpose-led and performance-driven approach to community engagement. We formed the Corporate Responsibility and Community Engagement team to address local community development needs and promote inclusive economic growth. This team brings together Community Affairs; Government Affairs and Economic Development; Corporate Communications; Fair and Responsible Banking; and Service Quality and Regions360. Working together, these groups build on a legacy of community support to address issues that matter most to our customers, associates, community partners, lawmakers, and regulators. The synergy created by this team allows us to effectively achieve our mission.

As an organization, we are committed to helping individuals, families, and businesses overcome barriers to their financial success. To more effectively address these barriers, we are focusing our community investments in three engagement priorities that not only address community and customer needs, but also align with the skills and talents of our associates and the core values of our Company:

 Economic and community development

 Education and workforce readiness

 Financial wellness

These same priorities are used to guide grantmaking by the Regions Foundation, which Regions has endowed with \$100 million since 2017.

By leveraging all the tools at our disposal—and concentrating on the areas where we can have the most meaningful and measurable impact—we are well-positioned to continue doing more today and into the future.



## Community Engagement Highlights

**\$4.9 billion** invested in community development

**\$100 million** contributed to the Regions Foundation since 2017

**\$11.2 million** invested in communities through corporate and Regions Foundation contributions and matching gifts

**\$6.2 million** donated to more than 150 United Way chapters by Regions and our associates

**\$200,000** provided for hurricane and tornado relief in the Southeast

**94,000** financial education presentations delivered by the Regions Next Step Elevate Team

**56,000** community service hours logged by associates

All data as of December 31, 2018.



To learn more about our community engagement stories, visit our [Doing More Today](#) website and [2018 Community Engagement Highlights](#)



## Economic and Community Development

**Goal** Revitalize low- and moderate-income neighborhoods and assist communities with affordable housing, job creation, and small business development.



### 2018 Highlights

- In 2018, Regions invested approximately \$4.9 billion in community development, including \$1.3 billion in CRA-qualified community development lending, \$248 million in CRA-qualified community development investments <sup>(1)</sup>, \$9.6 million in CRA-qualified community development contributions, and \$3.4 billion in small business and small farm lending.
- Focused on building a strong and diverse entrepreneurial ecosystem, Regions provides financing and resources for small businesses. In 2018, we fostered entrepreneurial growth through sponsorship of Inner City Capital Connections seminars and the A.G. Gaston Economic Empowerment Conference.
- Regions is one of the nation's leading direct investors in affordable housing, made possible through the federal Low-Income Housing Tax Credit program. In 2018, we invested more than \$275 million in tax credit partnerships, supporting 31 developments that provide 2,505 units of affordable housing.

#### Making Life Better for Seniors

In Houston, Regions partnered with a developer to provide a multi-layered affordable housing investment to build a 144-unit mixed income senior residence. The development will deliver 115 affordable housing units and 29 market rate units, creating a safe, affordable, and comfortable place for seniors in the aftermath of Hurricane Harvey and related flooding that damaged many homes in the Houston area.

In New York, Regions supported the development of the first affordable housing community in the Bronx geared toward helping the senior LGBT population. In partnership with non-profit organizations, HELP USA and SAGE, the 82-unit building will provide affordable housing in an LGBT-welcoming environment, with 26 units set aside for homeless individuals. SAGE will offer residents assistance programs and community outreach, as well as case management services for the residents of the 26 homeless units. The building will also feature an integrated solar array and energy efficient construction.



## Education and Workforce Readiness

**Goal** Increase access to opportunities through programs that strengthen education quality, advance teacher training, increase K-12th grade student competency, foster college success, and build workforce skills.



### 2018 Highlights

- Regions invested in workforce training programs to help youth and adults enter high-demand sectors. This includes financial support for partners like Jeremiah's Hope Academy to train low- and moderate-income individuals in entry-level healthcare careers and to assist them in securing employment within three months of graduation. In addition, Regions partnered with Birmingham Can Code to offer four free week-long bootcamps in coding and mobile application development.
- To deepen youth learning, we partnered with Junior Achievement USA<sup>®</sup> to sponsor a storefront in JA BizTown in Charlotte and JA Finance Park in Nashville. Combining in-class learning with a day-long visit to one of these simulated towns, K-12th grade students get the chance to operate banks, manage restaurants, write checks, and vote for mayor. Through experiential learning, students can connect the dots between what they learn in school and what happens in the real world.
- Through a partnership with Scholastic Inc., Regions provides K-8th grade math and money curriculum for teachers, as well as parent and family resources. In 2018, our microsite, Next Step Adventures in Math, had over 50,000 visitors and nearly 15,000 curriculum downloads.
- Celebrated during Black History Month, the annual Regions Riding Forward<sup>®</sup> Scholarship Essay Contest allows students to submit essays about inspirational African-Americans. Over the contest's eight years, Regions has awarded more than \$1 million in scholarships to over 200 high school and college students. In 2018, 30 winners, selected from over 7,000 entries, shared more than \$125,000 in scholarship funds. Winning high school seniors each receive \$5,000, and college students receive \$3,500.

(1) Including support for affordable housing developments through Low Income Housing Tax Credits (LIHTC); Community Development Financial Institutions (CDFIs); Small Business Investment Companies (SBICs); Qualified Zone Academy Bonds (QZABs); and the purchase of mortgage-backed securities (MBS).



## Financial Wellness

**Goal** Help individuals and families achieve financial security through programs that teach people how to save more, spend wisely, and manage credit in a productive way.



### 2018 Highlights

- The Regions Next Step Elevate team, through trained facilitators in every branch, delivered more than 94,000 presentations that included financial education. As part of this program, we reached nearly 29,000 high school students in April 2018, which is recognized nationally as Financial Literacy Month.
- Regions reached over 16,000 high school and 11,000 college students and nearly 30,000 adults through the Regions Next Step Financial Learning Centers.
- Regions Next Step for Students provided in-person financial education to over 900 student athletes.
- For the past 5 years, Regions has provided financial support and space to Operation HOPE to open HOPE Inside financial education and counseling centers in 11 Regions branches in Alabama, Missouri, Florida, Kentucky, Mississippi, Illinois, and Louisiana. In 2018, these centers delivered 181 financial wellness workshops to over 1,600 participants and provided over 4,400 individual financial counseling sessions. Eighty-four percent of those served are low- to moderate-income individuals.
- We donated a branch in Montgomery to Hope Credit Union, allowing the organization to open its first branch in Alabama and increase access in an underserved area.
- Regions associates taught financial wellness classes at the New Orleans Job Corps Center Program. In addition, associates conducted financial wellness classes for parents and guardians of middle and high school students enrolled in Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Birmingham and GEAR UP Alabama.
- In Georgia, our associates provided financial education to approximately 100 formerly incarcerated adults through the Metro Reentry Facility in Atlanta and over 300 youth in the Paulding County School District's Rising Professionals event.
- Approximately 1 million people received financial guidance and education on our website.

### Regions' Financial Education Strategy: Regions Next Step®

At Regions, financial education is a meaningful way we deliver on our commitment to make life better for our customers, associates, and communities. By offering advice, guidance, and tools that meet the needs and aspirations of our associates, customers, and communities, we help people see a world where money is viewed as a vehicle for moving life forward.

In 2018, we branded our financial education program as Regions Next Step to position the financial education work being done Company-wide under one common name. With such a broad corporate scope, it was important to connect our many different programs and audiences under a unifying umbrella.

Through a holistic approach, Regions provides advice and guidance to students from kindergarten through college, as well as adults in a variety of life stages and income levels. In addition, we have resources specific to large and small businesses. Through Regions Next Step Elevate, a workplace financial wellness program, Regions provides no-cost, on-site seminars to help the participating companies' employees chart an action-oriented path toward their financial goals.

Strategically, financial education is managed as a shared service, which provides the right message to the right audience at the right time through the right channel. In addition, our strategy addresses the different modalities of learning by providing digital audio and visual tools, in-person workshops, self-guided learning, and opportunities to talk one-on-one with a banker in all our branches.

We are also continuing to build on our program and are planning to provide more online resources on our website, including podcasts; expand the workplace financial education workshops; and launch a financial education webinar strategy.

### Financial Education Metrics



Taught **94,000** in-person financial education workshops



Helped more than **1 million** people better understand their finances



Digital financial education resources had more than **2.6 million** page views



Associates provided **10,000** financial education volunteer service hours

All data as of December 31, 2018.

## Diversity and Inclusion Community Outreach

Our commitment to diversity and inclusion is reinforced through our ongoing efforts to reflect, anticipate, and adapt to the changing demographics of the communities where we live and work.

We partner with national organizations to provide financial education programs to diverse communities. These organizations include Historically Black Colleges and Universities, the United Negro College Fund, Kappa Alpha Psi Fraternity, Inc., Alpha Kappa Alpha Sorority, Inc., and the Louisiana NAACP. By combining our partners' community networks with Regions' financial expertise, we are able to help hundreds of youth and adults plan their next step toward financial wellness.

Additionally, we advocate for the needs of people with disabilities through accessible bank solutions and investments that help our communities overcome financial barriers. Regions' Disability Services and Outreach Manager maintains relationships with advocates for accessibility, staying abreast of their concerns, and working alongside internal Regions partners. Our commitment includes raising awareness of autism spectrum disorder and creating an autism-friendly environment in our branches. Furthermore, we focus on investing in programs that promote independent living and that increase access to job readiness and employment through partners like the Disability Rights and Resource Center in Birmingham, Indiana School for the Blind, and Paraquad in Missouri.

Regions also seeks to serve members of the U.S. military and their families through targeted financial guidance and education. Regions' Service Members and Veterans Affairs Manager understands their unique needs and seeks ways to help them stay in financial control. This includes providing financial support, job readiness training, and opportunities to cultivate entrepreneurial activities for partners like H.E.R.O.E.S. Care in Missouri, Heroes First Foundation in Georgia, and the Veterans Business Initiative of the Central Florida Disabilities Chamber of Commerce.

### Diversity Advisory Council

Regions' external Diversity Advisory Council is comprised of various academic, community, and business leaders and provides objective outside perspective and guidance on diversity-related matters. Specifically, the Council supports the Company by:

- Offering advice, counsel, and feedback regarding the strategic direction of the Bank's external diversity and inclusion initiatives and programs
- Enhancing Regions' brand by participating in external community engagement efforts and diversity-focused business development
- Providing strategic counsel regarding the Bank's engagement with non-profit and community organizations as needed

### Associate Volunteerism

Regions associates come to work every day motivated to meet the needs of our customers, help our neighbors, and live by our core value to **enjoy life**. Associates have an opportunity to participate in our Share the Good® program, where local markets identify creative and meaningful volunteer service opportunities. Regions also honors our associates' commitment to service by offering paid volunteer time through our What A Difference A Day Makes<sup>SM</sup> program and matching their financial gifts to community organizations focused on education, arts, and culture.



**10,000** financial education volunteer hours donated by our associates

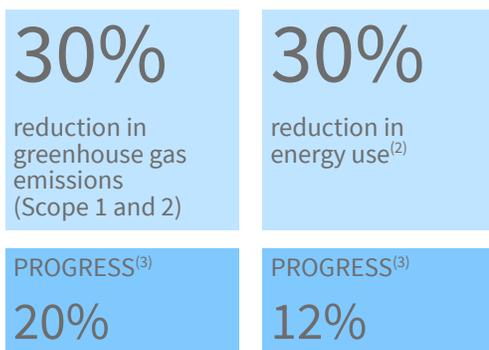
In 2018, our associates contributed approximately 56,000 hours of community service, including teaching financial education seminars, tutoring and mentoring students, building and beautifying affordable homes, and serving on nonprofit boards. This includes over 10,000 financial education volunteer hours, part of which are 5,000 hours in Junior Achievement classroom activities. Our work with Junior Achievement has resulted in Regions again receiving a Bronze-level U.S. President's Volunteer Service Award.

In addition to their time and talent, our associates also support their local United Way agencies. In 2018, our associates pledged over \$4 million to United Way to help solve critical social, health, and economic issues in our communities.

# ENVIRONMENT

Regions recognizes the environmental challenges that face our planet and is committed to reducing our environmental footprint and reporting on our progress. To support this commitment, we adopted an Environmental Sustainability Policy Statement and environmental goals. We also enhanced the disclosure of our environmental performance metrics and provide this information, going back to 2008, at the end of this section.

## Progress Toward Our 2023 Goals<sup>(1)</sup>



(1) Compared against a 2015 baseline. These targets cover properties for which Regions is responsible for direct payment of utilities. In 2018, this accounted for 85% of our properties based on square footage.  
 (2) Energy use goal applies to electricity and natural gas.  
 (3) Progress as of December 31, 2018.

### How We Plan to Meet These Goals

-  Energy efficient lighting and automatic controls
-  HVAC and mechanical efficiency upgrades and improvements
-  Building intelligence and remote controls
-  High-performance building envelope upgrades
-  Education and awareness for continuous improvement of control processes
-  Real estate portfolio optimization

To help us implement the policy statement, we assembled a cross-departmental Environmental Working Group that reports to executive leadership. The working group's objectives are to: (1) identify and develop priorities for the Company's environmental initiatives; (2) promote awareness and engage with associates on sustainability, resource conservation, and recycling; and (3) identify internal and external partnerships and collaborations to help advance our environmental efforts.

The [Environmental Sustainability Policy Statement](#) highlights our commitments to:

- ✓ Reducing emissions and energy use
- ✓ Assisting in the transition to a low-carbon economy
- ✓ Conserving resources and reducing waste
- ✓ Promoting awareness and engagement
- ✓ Reporting and transparency

 The [Environmental Sustainability Policy Statement](#) is available on our Corporate Governance webpage

## Energy and Emissions

Since 2008, Regions has focused on reducing the Company's energy consumption and greenhouse gas (GHG) emissions through operational efficiencies, real estate portfolio optimization, and deployment of high-impact energy reduction projects. We are continuing to focus on these efforts and are evaluating additional efficiency and renewable energy opportunities to help us meet our 2023 goals.

We also introduced a new approach to branch renovations, in which we take a holistic approach to evaluating energy and water efficiency needs in branches that have been identified as poor-performing sites or are scheduled for renovations. In addition to standalone energy reduction initiatives, projects that are generally a part of these renovations include the installation of rooftop solar, web-based HVAC controls, LED lighting and controls, and irrigation monitoring and controls.

### Better Buildings Challenge

In 2018, we joined the Atlanta Better Buildings Challenge, an effort by the U.S. Department of Energy to promote energy efficiency in commercial buildings with a 10-year goal of reaching 20 percent energy use reduction by 2020. Members of the Challenge commit to setting energy goals, developing innovative energy efficiency resources, and adopting advanced cost-effective technologies and practices. As part of this partnership, we entered 21 branches in the Atlanta area. Eleven of these branches were recognized for already exceeding the 20 percent energy savings targets. In 2019, we plan to expand this initiative by joining the national Better Buildings Challenge and focusing on branches across our footprint.



## Energy and GHG Emissions Metrics

**47%** reduction in GHG emissions since 2008

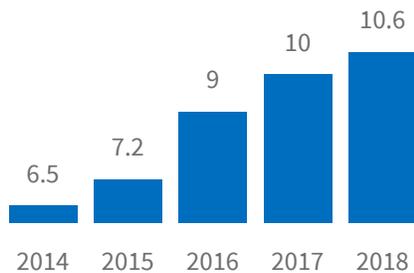
**\$66 million** in total energy cost savings since 2008

**\$2.4 million** invested in energy efficiency in 2018

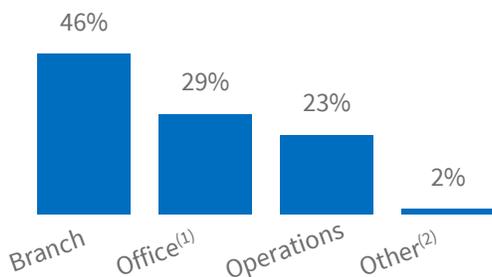
**90.5%** of building energy is purchased from grid

All data as of December 31, 2018.

Annual Energy Cost Savings (\$ millions)



Electricity Use by Facility Type (%)



(1) Office includes branches that are in the same facility.

(2) Other includes parking, land, and ATMs.



Regions provides additional information about our efforts to reduce emissions and metrics in our [2018 CDP Response](#)

## Building construction

Our standards for building construction and renovations focus on energy and water efficiency and the adoption of other sustainability building practices. In 2018, we completed the construction of 30 branches using the following green building designs, among others:

- 100% LED light fixtures
- ENERGY STAR® compliant window glazing
- Carbon neutral carpet tiles
- Ultra-high efficiency units and demand control ventilation
- Light colored thermoplastic roofing materials
- Recycled content ceiling tiles, ceiling grid, carpet tile, and wall base

## Reducing Transportation Emissions

While transportation is not a significant contributor to our overall greenhouse gas emissions, we recognize that we need to do our part in reducing these emissions. Regions uses approximately 200 vehicles for corporate and branch security, to service Bank facilities, and to operate the employee shuttle service at our Birmingham office complexes. We continue to identify opportunities to reduce fuel use through more efficient routes and service frequencies. Further, the use of web-based controls for HVAC systems is expected to help us reduce branch visits and travel by allowing for remote management.

In addition, in 2018, we launched an initiative to reduce associate non-client business travel by 40 percent. Because collaboration and meeting as a team are important, we invested in video-conferencing technology that allows associates to easily hold virtual meetings. This initiative is expected to reduce our business travel Scope 3 emissions.

We also installed electric vehicle charging stations at our large Birmingham and Nashville campuses to help provide the infrastructure for electric vehicles. We currently have 14 charging ports that are available to approximately 4,500 associates, and we are evaluating expanding this program to other areas within our footprint.

Furthermore, associates in the Birmingham area have the opportunity to participate in CommuteSmart, a Regional Planning Commission of Greater Birmingham initiative aimed at helping alleviate traffic congestion and reduce air pollution. Associates' participation in this program during 2018 reduced miles traveled by almost 400,000, saving 14,000 gallons of fuel and 221 metric tons of CO<sub>2</sub>e.

## Resource Use and Waste

We are committed to reducing the environmental footprint associated with the use and disposal of office materials. We are continuing to focus on our recycling efforts, but we are also investing in technology to help us reduce our overall reliance on paper and other resources.

### Paper

We are continuously reviewing opportunities to reduce the usage of paper in our offices and in our interactions with customers. Our main focus areas are: (1) reducing associate printing and (2) transitioning customers to online banking and digital delivery of documents and statements.



#### Paper Consumption Metrics

**39%** reduction in internal copy paper use since 2014

**66%** of accounts use electronic statements

**81 million** sheets saved annually from electronic statements

**1.18 million** eSignature transactions completed

All data as of December 31, 2018.

To reduce associate printing, we launched a print optimization program that reviewed overall printing needs and identified opportunities to reduce printing. In addition, we use a managed print program, which defaults computers to non-color, double-sided printing and requires that associates release the print job at a network printer. If a print job is not released within 24 hours, it is automatically deleted by the print management solution.

In 2018, we launched a Branch Operations Simplification project that looked at 111 operational tasks completed in branches to identify opportunities to centralize, eliminate, or simplify the process. The purpose of this project was to make banking easier for our associates and increase efficiency; however, it also resulted in significant reductions in printing, as it eliminated various paper logs and reports through automation and centralization. Overall, this process resulted in annual savings of 5 million sheets of paper.

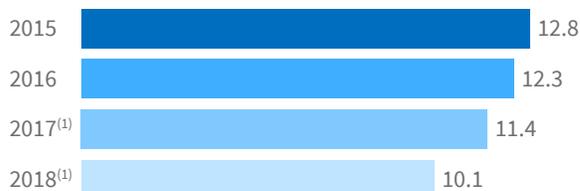
To reduce the amount of paper used in interactions with our customers, we updated our account process and implemented eSignature capabilities. This allows customers to electronically review and sign most deposit, lending, and treasury management documents and elect to receive their copies electronically—saving the customer time, reducing the amount of paper printed, and securely delivering and storing sensitive documents.

We will continue to integrate this new technology throughout our businesses, having already launched it in all branch locations, Mortgage, Treasury Management, Private Wealth, and in our Contact Center. In the coming year, we expect to expand the use of eSignature into other customer-facing areas and products, improving efficiency and speed of service, while reducing material waste.

We are also reducing paper used for marketing materials, focusing on consolidating or eliminating brochures and, where appropriate, transitioning to digital materials.

### Recycling

When reducing use is not an option, we strive to divert waste from landfills through recycling. Our confidential waste program is our most widespread recycling program, resulting in more than 10 million pounds of paper and other confidential materials being recycled in 2018.



(1) 2017 is the first year that we included confidential waste that is associated with clean out projects (e.g., stored records that were destroyed due to office closures). The 2017 figure includes an additional 874,000 pounds of waste related to these projects and 2018 includes an additional 711,000 pounds.

Beyond paper and confidential materials, recycling for bottles and aluminum, as well as other recyclable waste, is provided in our large operations centers, corporate headquarters, and in some branches. Approximately 30 percent of associates have access to these recycling services. We are working to expand our recycling capabilities and are also engaging our associates on proper methods of recycling to reduce contamination rates.

## Electronic Waste

Regions understands the impact that electronic waste has on the environment and communities; therefore, we strive to reuse electronic equipment whenever possible. In 2018, we redeployed 757 computers internally and resold 1,075 pieces of IT hardware. When reuse or resale is not feasible, we recycle using approved hardware recycling vendors that are Sustainable Electronics Recycling International R2:2013 Standard certified. By using certified vendors, we ensure that our electronic waste is properly managed and that valuable raw materials are recovered and reused. Through this program, Regions recycled approximately 17,661 pieces of IT hardware.

In addition, we held three associate electronic waste recycling events in our Birmingham campuses, resulting in 2,977 pounds of associates' personal electronic waste being recycled. Not only does this permit associates to properly dispose of unwanted electronics, but it also provides an opportunity for us to engage our associates on the topic sustainability.

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### Looking ahead

At our Birmingham campuses, we have three cafeterias that serve roughly 4,000 associates daily. We are engaging with the service provider to identify opportunities to (1) reduce food waste and the waste associated with single-serving food and beverage containers and (2) provide more sustainable, healthy, and local food options.

We are also engaging our associates on sustainability and encouraging them to be mindful of their environmental footprint. In 2019, we will be supporting the development of local, associate-led Green Teams throughout our footprint. While some of these groups have already formed organically, the Environmental Working Group will provide the Green Teams with tools and resources to allow for successful implementation of their sustainability efforts.

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## Environmental Performance Metrics

	2008	2015	2016	2017	2018
<b>GENERAL INFORMATION<sup>(1)</sup></b>					
Associates (full-time equivalent) <sup>(2)</sup>	30,784	23,393	22,166	21,714	19,969
Real Estate (square feet, thousands) <sup>(3)</sup>	13,224	11,943	11,784	11,611	11,102
Annual Revenue (\$MM)	6,916	5,335	5,635	5,735	5,754
<b>INTERNAL PAPER USE AND RECYCLING</b>					
Copy Paper Sheets (thousands)	-	237,783	216,679	192,017	158,316
Copy Paper Sheets (pounds, thousands)	-	9,511	8,667	7,681	6,333
Forest Stewardship Council Certified	-	90%	92%	93%	99.7%
Per Associate	-	10,165	9,775	8,843	7,928
Confidential Waste Recycled (pounds, thousands) <sup>(4)</sup>	-	12,828	12,316	11,400	10,096
<b>FACILITIES</b>					
ENERGY STAR-Certified Buildings	0	2	2	2	11
Space Certified (square feet, thousands)	0	605	605	605	647
Portfolio Certified <sup>(3)</sup>	0	5%	5%	5%	6%
<b>EMISSIONS (Metric tons CO<sub>2</sub>e) - Scope 1 and 2</b>					
<b>Total Direct Emissions (Scope 1)<sup>(5)</sup></b>	<b>8,222</b>	<b>6,224</b>	<b>5,647</b>	<b>5,092</b>	<b>6,164</b>
Natural Gas	5,893	3,918	3,115	2,593	3,860
Other Direct Sources	2,329	2,305	2,532	2,500	2,304
<b>Total Indirect Emissions (Scope 2)</b>	<b>196,264</b>	<b>129,815</b>	<b>115,498</b>	<b>105,978</b>	<b>102,979</b>
<b>Total Emissions (Scope 1 and 2)</b>	<b>204,486</b>	<b>136,039</b>	<b>121,145</b>	<b>111,070</b>	<b>109,143</b>
Per 1,000 Square Feet <sup>(3)</sup>	15.46	11.39	10.28	9.57	9.83
Per Associate	6.64	5.82	5.47	5.12	5.47
Per Revenue	29.57	25.50	21.50	19.37	18.97
<b>BUILDING ENERGY CONSUMPTION (MWh)</b>					
<b>Total Energy Consumption (metered space)<sup>(5)</sup></b>	<b>358,397</b>	<b>255,711</b>	<b>245,129</b>	<b>224,724</b>	<b>225,454</b>
Electricity	325,756	234,005	227,875	210,362	204,073
Natural Gas	32,641	21,706	17,254	14,362	21,381
Per 1,000 Square Feet <sup>(3)</sup>	27.10	21.41	20.80	19.35	20.31
Per Associate	11.64	10.93	11.06	10.35	11.29
Per Revenue	51.82	47.93	43.50	39.18	39.18
<b>EMISSIONS (Metric tons CO<sub>2</sub>e) - Scope 3</b>					
<b>Total business travel<sup>(6)</sup></b>	-	-	-	-	<b>9,095</b>
Air	-	2,908	2,589	2,920	2,898
Car (rental vehicles)	-	-	-	-	2,890
Car (personal vehicles)	-	4,811	4,214	4,032	3,308
Per Associate	-	-	-	-	0.46

(1) The associates, real estate, and annual revenue metrics may not match those reported in Regions' financial statements, as prior years' associate count and annual revenue have not been adjusted in financial statements to reflect divestment of businesses. For the purpose of measuring our environmental footprint, we did not use the adjusted metrics. Real estate square footage is only for areas where Regions is responsible for paying utilities and has operational control over the space. In 2018, this segment of real estate accounted for about 85% of Regions' real estate portfolio.

(2) Regions did not start using full-time equivalent until 2015. The 2008 metric is based on total headcount, which reflects active full-time and part-time associates.

(3) Based on real estate square footage where we are responsible for paying utilities and have operational control over the space.

(4) 2017 is the first year that we included confidential waste that is associated with clean out projects (e.g., stored records that were destroyed due to office closures). The 2017 figure includes an additional 874,000 pounds of waste related to these projects and 2018 includes an additional 711,000 pounds.

(5) Increase in Scope 1 emissions and energy consumption is due to colder temperatures experienced in 2018 that resulted in an increased use of natural gas, which is primarily used for heating.

(6) 2018 is the first year that we calculated business travel emissions. Information prior to 2018 is incomplete as it was not collected by our vendor. For part of the rental vehicle emissions, we were only able to collect emissions for 2018 4th quarter. To estimate full-year emissions, we multiplied that quarter's emissions by 4.

# GRI Content Index

## General Disclosure

GRI Standard (2016)	Disclosure	URL/Response	Omission
<b>101: Foundation</b>	[GRI 101 does not include any disclosures]		
<b>102: General Disclosure</b>			
<b>Organizational Profile</b>			
<b>102-1</b>	Name of the organization	Regions Financial Corporation	
<b>102-2</b>	Activities, brands, products, and services	<a href="#">2018 Annual Report on Form 10-K</a> , pages 9-10	
<b>102-3</b>	Location of headquarters	Birmingham, Alabama	
<b>102-4</b>	Location of operations	<a href="#">2018 Annual Report on Form 10-K</a> , page 9	
<b>102-5</b>	Ownership and legal form	<a href="#">2018 Annual Report on Form 10-K</a> , Exhibit 3.1, page 173	
<b>102-6</b>	Markets served	<a href="#">2018 Annual Report on Form 10-K</a> , page 9	
<b>102-7</b>	Scale of the organization	<a href="#">2018 Annual Report on Form 10-K</a> , page 9 and 19	
<b>102-8</b>	Information on employees and other workers	ESG Report: Associates	
<b>102-10</b>	Significant changes to the organization and its supply chain	On July 2, 2018, Regions sold Regions Insurance Group, Inc. See <a href="#">2018 Annual Report on Form 10-K</a> , page 37	
<b>102-12</b>	External initiatives	Regions is a signatory to the Commonsense Principles 2.0. Further, Regions' practices are aligned with the Investor Stewardship Group Corporate Governance Principles for U.S. Listed Companies.	
<b>102-13</b>	Membership of associations	ESG Report: Stakeholder Engagement; <a href="#">Government Affairs</a> ; Ceres Company Network	
<b>Strategy</b>			
<b>102-14</b>	Statement from senior decision-maker	2018 ESG Report: CEO Message, Board of Directors Message; <a href="#">2018 Annual Review</a> ; <a href="#">2019 Proxy Statement</a>	
<b>Ethics and Integrity</b>			
<b>102-16</b>	Values, principles, standards, and norms of behavior	2018 ESG Report: Values and Culture	

<b>102-17</b> Mechanisms for advice and concerns about ethics	<a href="#">Code of Business Conduct and Ethics</a> ; 2018 ESG Report: Ethical Business Conduct, Risk Management and Compliance
<b>Governance</b>	
<b>102-18</b> Governance structure	2018 ESG Report: Board of Directors; <a href="#">Corporate Governance</a> ; <a href="#">2019 Proxy Statement</a> , pages 70-75
<b>102-20</b> Executive-level responsibility for economic, environmental, and social topics	Chief Governance Officer, Head of Corporate Responsibility and Community Engagement, Head of Corporate Real Estate and Procurement, Head of Human Resources, and Chief Risk Officer.  2018 ESG Report: Board of Directors
<b>102-21</b> Consulting stakeholders on economic, environmental, and social topics	2018 ESG Report: Stakeholder Engagement
<b>102-22</b> Composition of the highest governance body and its committees	<a href="#">Corporate Governance</a> ; <a href="#">2019 Proxy Statement</a> , pages 70-75
<b>102-23</b> Chair of the highest governance body	<a href="#">2019 Proxy Statement</a> , pages 70-75
<b>102-24</b> Nominating and selecting the highest governance body	<a href="#">Nominating and Corporate Governance Committee</a> ; <a href="#">2019 Proxy Statement</a> , pages 43-46, 58-61
<b>102-25</b> Conflicts of interest	<a href="#">Code of Business Conduct and Ethics</a> ; <a href="#">Code of Ethics for Senior Financial Officials</a> ; <a href="#">2019 Proxy Statement</a> , pages 62-67
<b>102-26</b> Role of highest governance body in setting purpose, values, and strategy	<a href="#">2019 Proxy Statement</a> , pages 6, 23-24
<b>102-27</b> Collective knowledge of highest governance body	2018 ESG Report: Board of Directors; <a href="#">2019 Proxy Statement</a> , page 60
<b>102-28</b> Evaluating the highest governance body's performance	<a href="#">2019 Proxy Statement</a> , pages 58-59

<b>102-29</b>	Identifying and managing economic, environmental, and social impacts	2018 ESG Report: Board of Directors, Stakeholder Engagement; <a href="#">2019 Proxy Statement</a> , pages 51-54
		Regions uses many forums to identify areas of risk, including stakeholder engagement, involvement with public interest groups, such as Ceres and the Sustainability Accounting Standards Board; investor calls; webinars; research analysis; surveys; and more.
<b>102-30</b>	Effectiveness of risk management process	<a href="#">2019 Proxy Statement</a> , pages 51-54
<b>102-31</b>	Review of economic, environmental, and social topics	ESG Report: Board of Directors
<b>102-32</b>	Highest governance body's role in sustainability reporting	<a href="#">Nominating and Corporate Governance Committee</a>
<b>102-33</b>	Communicating critical concerns	<a href="#">2019 Proxy Statement</a> , pages 56-57
<b>102-34</b>	Nature and total number of critical concerns	Confidentiality constraints
<b>102-35</b>	Remuneration policies	<a href="#">2019 Proxy Statement</a> , pages 80-101
<b>102-36</b>	Process for determining remuneration	<a href="#">2019 Proxy Statement</a> , pages 80-101
<b>102-37</b>	Stakeholders' involvement in remuneration	<a href="#">2019 Proxy Statement</a> , pages 52-53, 84-86
<b>102-38</b>	Annual total compensation ratio	<a href="#">2019 Proxy Statement</a> , pages 105-106
<b>102-39</b>	Percentage increase in annual total compensation ratio	<a href="#">2019 Proxy Statement</a> , pages 105-106
<b>Stakeholder Engagement</b>		
<b>102-40</b>	List of stakeholder groups	ESG Report: Stakeholder Engagement
<b>102-41</b>	Collective bargaining agreements	Regions associates are not covered by collective bargaining agreements.
<b>102-42</b>	Identifying and selecting stakeholders	ESG Report: Stakeholder Engagement
<b>102-43</b>	Approach to stakeholder engagement	ESG Report: Stakeholder Engagement
<b>102-44</b>	Key topics and concerns raised	ESG Report: Stakeholder Engagement; <a href="#">2019 Proxy Statement</a> , pages 52-53
<b>Reporting Practice</b>		
<b>102-45</b>	Entities included in the consolidated financial statements	<a href="#">2018 Annual Report on Form 10-K</a> , Exhibit 21
<b>102-46</b>	Defining report content and topic boundaries	The ESG Report content and topic boundaries were determined based on an evaluation of Regions' operations, emerging trends and stakeholder feedback, peer analysis, and evaluation of disclosure standards, such as the Sustainability Accounting Standards Board.

<b>102-48</b> Restatement of information	Regions did not make restatements of information in this Report.
<b>102-49</b> Changes in reporting	Regions provided additional information about corporate governance and stakeholder engagement, human capital management, customer and community involvement, and environmental metrics and performance in the 2018 ESG Report.
<b>102-50</b> Reporting period	January 1 through December 31, 2018, unless otherwise noted
<b>102-51</b> Date of most recent report	April 2018
<b>102-52</b> Reporting cycle	Annually since 2009
<b>102-53</b> Contact point for questions regarding the report	Hope Mehlman, Chief Governance Officer hope.mehlman@regions.com
<b>102-54</b> Claims of reporting in accordance with the GRI standards	The 2018 ESG Report references the GRI Standards (2016).
<b>102-55</b> GRI content index	2018 ESG Report: GRI Content Index
<b>102-56</b> External assurance	The 2018 ESG Report was not externally assured.

## Material Topics: Economic

GRI Standard (2016)	Disclosure	URL/Response	Omission
<b>Economic Performance</b>			
<b>201: Economic Performance</b>			
<b>201-1</b>	Direct economic value generated and distributed	2018 ESG Report: Regions at a Glance; <a href="#">2018 Community Engagement Highlights</a>	
<b>201-2</b>	Financial implications and other risks and opportunities due to climate change	2018 ESG Report: Environmental and Social Risk Management, Sustainable Financing, Energy and Emissions; <a href="#">CDP Report</a>	
<b>201-3</b>	Defined benefit plan obligations and other retirement plans	2018 ESG Report: Benefits and Wellness; <a href="#">Retirement Benefits</a> ; <a href="#">2018 Annual Report on Form 10-K</a> , Note 18, page 142	
<b>201-4</b>	Financial assistance received from government	Regions did not benefit from any direct capital or liquidity assistance from the U.S. government in 2018.	

Indirect Economic Impacts		
<b>103: Management Approach</b>		
<b>103-1</b>	Explanation of the material topic and its Boundary	
<b>103-2</b>	The management approach and its components	2018 ESG Report: Communities, Expanding Access Through Financial Inclusion
<b>103-3</b>	Evaluation of the management approach	
<b>203: Indirect Economic Impacts</b>		
<b>203-1</b>	Infrastructure investments and services supported	2018 ESG Report: Communities, Expanding Access Through Financial Inclusion; <a href="#">2018 Community Engagement Highlights</a>
<b>203-2</b>	Significant indirect economic impacts	2018 ESG Report: Communities, Expanding Access Through Financial Inclusion; <a href="#">2018 Community Engagement Highlights</a>
Anti-Corruption		
<b>103: Management Approach</b>		
<b>103-1</b>	Explanation of the material topic and its Boundary	
<b>103-2</b>	The management approach and its components	2018 ESG Report: Ethical Business Conduct; <a href="#">Code of Business Conduct and Ethics</a>
<b>103-3</b>	Evaluation of the management approach	
<b>205: Anti-corruption</b>		
<b>205-2</b>	Communication and training about anti-corruption policies and procedures	Regions associates are required to complete anti-corruption training as part of our Business Conduct and Ethics Mandatory Annual Courses.
<b>205-3</b>	Confirm incidents of corruption and actions taken	Confidentiality constraint
Anti-Competitive Behavior		
<b>103: Management Approach</b>		
<b>103-1</b>	Explanation of the material topic and its Boundary	
<b>103-2</b>	The management approach and its components	<a href="#">Code of Business Conduct and Ethics</a>
<b>103-3</b>	Evaluation of the management approach	
<b>206: Anti-competitive Behavior</b>		
<b>206-1</b>	Legal actions for anti-competitive behavior; anti-trust, and monopoly practices	<a href="#">2018 Annual Report on Form 10-K</a> , pages 162-163

## Material Topics: Environment

GRI Standard (2016)	Disclosure	URL/Response	Omission
<b>Materials</b>			
<b>103: Management Approach</b>			
<b>103-1</b>	Explanation of the material topic and its Boundary		
<b>103-2</b>	The management approach and its components	2018 ESG Report: Resource Use and Waste	
<b>103-3</b>	Evaluation of the management approach		
<b>301: Materials</b>			
<b>301-1</b>	Materials used by weight or volume	2018 ESG Report: Resource Use and Waste	
<b>Energy</b>			
<b>103: Management Approach</b>			
<b>103-1</b>	Explanation of the material topic and its Boundary		
<b>103-2</b>	The management approach and its components	2018 ESG Report: Energy and Emissions	
<b>103-3</b>	Evaluation of the management approach		
<b>302: Energy</b>			
<b>302-1</b>	Energy consumption within the organization	2018 ESG Report: Energy and Emissions, Environmental Performance; <a href="#">CDP Report</a>	
<b>302-2</b>	Energy consumption outside of the organization	2018 ESG Report: Energy and Emissions, Environmental Performance; <a href="#">CDP Report</a>	
<b>302-3</b>	Energy intensity	2018 ESG Report: Energy and Emissions, Environmental Performance; <a href="#">CDP Report</a>	
<b>302-4</b>	Reduction of energy consumption	2018 ESG Report: Energy and Emissions, Environmental Performance; <a href="#">CDP Report</a>	
<b>302-5</b>	Reduction in energy requirements of products and services	2018 ESG Report: Energy and Emissions; Resource Use and Waste, Environmental Performance, Sustainable Financing; <a href="#">CDP Report</a>	
<b>Emissions</b>			
<b>103: Management Approach</b>			
<b>103-1</b>	Explanation of the material topic and its Boundary		
<b>103-2</b>	The management approach and its components	2018 ESG Report: Energy and Emissions, Environmental Performance; <a href="#">CDP Report</a>	
<b>103-3</b>	Evaluation of the management approach		
<b>305: Emissions</b>			

<b>305-1</b> Direct (Scope 1) GHG emissions	2018 ESG Report: Energy and Emissions, Environmental Performance; <a href="#">CDP Report</a>
<b>305-2</b> Energy indirect (Scope 2) GHG emissions	2018 ESG Report: Energy and Emissions, Environmental Performance; <a href="#">CDP Report</a>
<b>305-3</b> Other indirect (Scope 3) GHG emissions	2018 ESG Report: Energy and Emissions, Environmental Performance; <a href="#">CDP Report</a>
<b>305-4</b> GHG emission intensity	2018 ESG Report: Energy and Emissions, Environmental Performance; <a href="#">CDP Report</a>
<b>305-5</b> Reduction of GHG emissions	2018 ESG Report: Energy and Emissions, Environmental Performance; <a href="#">CDP Report</a>
<b>Effluents and Waste</b>	
<b>103: Management Approach</b>	
<b>103-1</b> Explanation of the material topic and its Boundary	
<b>103-2</b> The management approach and its components	2018 ESG Report: Resource Use and Waste
<b>103-3</b> Evaluation of the management approach	
<b>306: Effluents and Waste</b>	
<b>306-2</b> Waste by type and disposal method	2018 ESG Report: Resource Use and Waste, Environmental Performance
<b>Environmental Compliance</b>	
<b>307: Environmental Compliance</b>	
<b>307-1</b> Non-compliance with environmental laws and regulations	There were no significant fines associated with non-compliance with environmental laws and regulations in 2018 that would have a material adverse effect on our operations.

## Material Topics: Social

GRI Standard (2016)	Disclosure	URL/Response	Omission
<b>Employment</b>			
<b>103: Management Approach</b>			
103-1	Explanation of the material topic and its Boundary		
103-2	The management approach and its components	2018 ESG Report: Associates	
103-3	Evaluation of the management approach		
<b>401: Employment</b>			
401-1	New employee hires and employee turnover	2018 ESG Report: Associates	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2018 ESG Report: Benefits	
401-3	Parental leave	2018 ESG Report: Benefits	
<b>Training and Education</b>			
<b>103: Management Approach</b>			
103-1	Explanation of the material topic and its Boundary		
103-2	The management approach and its components	2018 ESG Report: Associates	
103-3	Evaluation of the management approach		
<b>404: Training and Education</b>			
404-1	Average hours of training per year per employee	2018 ESG Report: Learning and Development	
404-2	Programs for upgrading employee skills and transition assistance programs	2018 ESG Report: Learning and Development	
404-3	Percentage of employees receiving regular performance and career development reviews	2018 ESG Report: Talent Management	
<b>Diversity and Equal Opportunity</b>			
<b>103: Management Approach</b>			
103-1	Explanation of the material topic and its Boundary		
103-2	The management approach and its components	2018 ESG Report: Diversity and Inclusion; <a href="#">Code of Business Conduct and Ethics</a>	
103-3	Evaluation of the management approach		
<b>405: Diversity and Equal Opportunity</b>			
405-1	Diversity of governance bodies and employees	<a href="#">2019 Proxy Statement</a> , page 45	
<b>Non-Discrimination</b>			
<b>103: Management Approach</b>			

<b>103-1</b>	Explanation of the material topic and its Boundary		
<b>103-2</b>	The management approach and its components	2018 ESG Report: Diversity and Inclusion; <a href="#">Code of Business Conduct and Ethics</a>	
<b>103-3</b>	Evaluation of the management approach		
<b>406: Non-Discrimination</b>			
<b>406-1</b>	Incidents of discrimination and corrective actions taken	Confidentiality constraints	
<b>Freedom of Association and Collective Bargaining</b>			
<b>407: Freedom of Association and Collective Bargaining</b>			
<b>407-1</b>	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not applicable	No Regions associates are subject to collective bargaining agreements.
<b>Local Communities</b>			
<b>103: Management Approach</b>			
<b>103-1</b>	Explanation of the material topic and its Boundary		
<b>103-2</b>	The management approach and its components	2018 ESG Report: Community, Customers, Benefits and Wellness <a href="#">2018 Community Engagement Highlights</a>	
<b>103-3</b>	Evaluation of the management approach		
<b>413: Local Communities</b>			
<b>413-1</b>	Operations with local community engagement, impact assessments, and development programs	2018 ESG Report: Community, Customers, Benefits and Wellness, <a href="#">2018 Community Engagement Highlights</a>	
<b>Public Policy</b>			
<b>103: Management Approach</b>			
<b>103-1</b>	Explanation of the material topic and its Boundary		
<b>103-2</b>	The management approach and its components	<a href="#">Government Affairs</a>	
<b>103-3</b>	Evaluation of the management approach		
<b>415: Public Policy</b>			
<b>415-1</b>	Political contributions	<a href="#">Government Affairs</a>	
<b>Marketing and Labeling</b>			
<b>103: Management Approach</b>			
<b>103-1</b>	Explanation of the material topic and its Boundary		
<b>103-2</b>	The management approach and its components	2018 ESG Report: Fair and Responsible Banking	
<b>103-3</b>	Evaluation of the management approach		
<b>417: Marketing and Labeling</b>			
<b>417-1</b>	Requirements for product and service information and labeling	2018 ESG Report: Fair and Responsible Banking	
<b>417-2</b>	Incidents of non-compliance concerning product and service information and labeling	<a href="#">2018 Annual Report on Form 10-K</a> , pages 162-163	

<b>417-3</b>	Incidents of non-compliance concerning marketing communications	<a href="#">2018 Annual Report on Form 10-K</a> , pages 162-163
<b>Customer Privacy</b>		
<b>103: Management Approach</b>		
<b>103-1</b>	Explanation of the material topic and its Boundary	
<b>103-2</b>	The management approach and its components	<a href="#">2018 ESG Report: Information Security and Privacy</a> ; <a href="#">2019 Proxy Statement</a> , pages 61-62
<b>103-3</b>	Evaluation of the management approach	
<b>418: Customer Privacy</b>		
<b>418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	To our knowledge, during the past three years, we have not experienced any material losses or consequences relating to a security or privacy breach.
<b>Socioeconomic Compliance</b>		
<b>419: Socioeconomic Compliance</b>		
<b>419-1</b>	Non-compliance with laws and regulations in the social and economic area	<a href="#">2018 Annual Report on Form 10-K</a> , pages 162-163



## CONTACT US

### **Regions Financial Corporation**

1900 Fifth Avenue North  
Birmingham, Alabama 35203

### **Corporate Governance**

[governance@regions.com](mailto:governance@regions.com)

### **Investor Relations**

[investors@regions.com](mailto:investors@regions.com)

### **Media Relations**

1-205-264-4551

### **Customer Service**

1-800-REGIONS (734-4667)

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