SYNOVUS TCFD ALIGNMENT

October 17, 2022

TCFD Alignment

Synovus is committed to completing annual reports aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) to mitigate climate risk and bolster our investment strategy. By aligning to TCFD, we can better understand potential impacts of environmental volatility on our core business practices and map any needed climate risk mitigation accordingly.

1.1. Climate Risk Oversight

Our governance structure is an essential part of our overall risk management strategy. The Risk Committee oversees our enterprise risk management (ERM) strategy, including business continuity and contingency plans. We have expanded our historical risk management framework to include physical climate risks. We intend to explore a more holistic approach to climate-related risk management and provide comprehensive guidance and oversight on both physical and non-physical climate-related risks and opportunities.

The Corporate Governance and Nominating Committee (Governance Committee) of the Board oversees the impacts of our ESG strategy, including opportunities related to climate change. The Risk Committee of the Board (Risk Committee) provides guidance and oversight on all impacts of ESG-related risks and the management of those risks, including physical risks related to climate change.

We have an internal management-level ESG Oversight Council (ESG Council) that is facilitated by the Chief Communications and Corporate Responsibility Officer. This Council meets at least twice annually and includes as a Board liaison the chair of the Board Governance Committee. The ESG Council is focused on monitoring existing ESG programs and initiatives, identifying new opportunities to expand activities and reach, and developing internal and external stakeholder communication.

More information about our ERM framework and oversight can be found on our governance page.

1.2. Strategy

To understand how environmental changes can impact Synovus, we utilize both historical and forward-looking analysis to identify risks and recognize mitigation opportunities.

Climate-related risks

We consider the physical impacts of climate change to be a cross-cutting risk within our ERM framework. We strategically monitor drivers that may impact investment options for clients and our portfolio performance for various climate-related events. Through our analysis, we have identified impacts on facilities and operations, future economic downturns, regulatory changes, litigation risk, and supply chain disruptions as climate-related risks. Table 1 illustrates these risks in more detail.

Table 1: Climate-related Risks Identified by Synovus

Type	Driver	Description	Mitigant
Acute physical	Local climate impact on facilities and operations	Our concentrated operations in the Southeastern U.S. make us vulnerable to local economic conditions, local weather catastrophes, public health issues and other external events, which could adversely affect our results of operations and financial condition.	Our awareness of the potential physical impacts of environmental events requires taking risk mitigation steps to both positively impact the environment where possible and protect our company and clients.
Market	Uncertainty in market signals	Any future economic downturn, including those exacerbated by climate issues and associated transitional impacts, could have a material adverse effect on our capital, financial condition, results of operations, and future growth.	Management continually monitors market conditions and economic factors throughout our footprint.
Emerging regulation	Mandates on and regulation of existing products and services	The banking industry is highly regulated. The regulatory framework, together with any future legislative or regulatory changes, including those related to climate change, may have a significant adverse effect on our business, financial condition, or results of operations.	We monitor the regulatory landscape to anticipate legislative changes that may result in increased costs of doing business and decreased revenue and net income that may reduce our ability to effectively attract and retain clients, or that make it less attractive for us to continue providing certain products and services.
Reputation	Increased stakeholder concern or negative stakeholder feedback	ESG risks, including climate-related risks, could adversely affect our reputation and shareholder, employee, client, and third-party relationships and may negatively affect our stock price. We risk damage to our brand and reputation if we fail to take appropriate steps in a number of areas, such as DEI, environmental stewardship, human capital management, support for our local communities, corporate governance and transparency, or do not reasonably consider ESG factors in our business operations.	Synovus has engaged ESG consultants to advise our ESG strategy and mitigate the likelihood of this reputational risk.
Legal	Exposure to litigation	The costs and effects of litigation, investigations or similar matters involving us or other financial institutions or counterparties, or	We manage these risks through internal controls, personnel training, insurance, litigation management, our compliance and

		adverse facts and developments related thereto, could materially affect our business, operating results and financial condition.	ethics processes, and other means. We establish reserves for legal claims when payments associated with the claims become probable and the losses can be reasonably estimated. For those legal matters where the amounts associated with the claims are not probable and the costs cannot be reasonably estimated, Synovus estimates a range of reasonably possible losses. Compliance with current and future climate-related regulations will mitigate risk associated with the effects of litigation.
Emerging regulation	Regulation and supervision of climate-related risk in the financial sector	If our enterprise risk management framework is not effective at mitigating risk and loss to us, including those related to climate impacts, we could suffer unexpected losses and our results of operations could be materially adversely affected.	Our enterprise risk management framework seeks to achieve an appropriate balance between risk and return, which is critical to optimizing shareholder value. We have established processes and procedures intended to identify, measure, monitor, report and analyze the types of risk to which we are subject, including strategic, market, credit, liquidity, capital, operational, regulatory compliance, litigation and reputational.
Market	Supply chain disruption	We rely on other companies to provide key components of our business infrastructure. Any problems caused by these third parties, including those resulting from disruptions in communication services provided by a vendor, issues at a third-party vendor of a vendor, failure of a vendor to handle current or higher volumes, cyber-attacks and security breaches at a vendor, failure of a vendor to provide services for any reason, including climate-related impacts, or poor performance of services, could adversely affect our ability to deliver products and services to our clients and otherwise conduct our business.	We carefully select third-party vendors and conduct the due diligence screenings consistent with regulatory guidance and best practices. We have ongoing programs to review third party vendors and assess risk.

Climate-related opportunities

In addition to the above risks, we have identified several opportunities we intend to explore or expand in the near-term including renewable energy programs, energy-efficiency measures, development of new revenue streams from environmental markets, sustainability-focused financial products, and sustainable investing. Table 2 illustrates these opportunities in more detail.

Table 2: Climate-related Opportunities Identified by Synovus

Type	Driver	Description	Primary potential financial impact	Time Horizon
Resilience	Participation in renewable energy programs and adoption of energy-efficiency measures	In understanding our emissions, we realize that there are two primary focus areas for our energy management: the physical infrastructure of our offices and branches and the energy consumed by our technology and data centers. The Synovus team has made strides to increase efficiency and draw down energy usage in both of these areas. We are assessing the ROI of other energy efficiency opportunities including solar projects, branch optimization, technology upgrades, and EV charging stations for new branches.	Reduced indirect (operating) costs	Short-term
Markets	The development of new revenue streams from new/emerging environmental markets and products	We are considering additional renewable energy offerings for clients.	Increased Revenues through access to new and emerging markets	Long-term
Products and services	Ability to diversify business activities	We are evaluating the risks and identifying opportunities associated with environmental issues and aim to provide our clients with sustainability focused financial products and services to assist in the transition to a low-carbon economy. We made more than $129 million in solar energy loans outstanding as of year-end 2021, and $18.9 million of capital invested in renewable energy credits as of December 31, 2021. Moreover, our loan policies consider climate impacts and, where applicable, a client's practices and policies related to environmental issues as part of the credit underwriting process.	Increased revenues resulting from increased demand for products and services	Short-term
Products and services	Ability to diversify business activities	We view ESG/Impact Investing as the selection of securities based on the beneficial consequences that the asset may have on the environment or society, for example, in areas such as healthcare, education or the environment. We have expanded our ESG-related funds across our investment platform to now include one bond mutual fund, one individual equity portfolio, as well as the opportunity to provide custom portfolios through our family wealth office.	Increased revenues through access to new and emerging markets	Short-term

Resilience	Increased reliability, climate- resilience of investment chain	We developed a Sustainable Investment Statement in 2021 for clients, prospective clients, team members, investors and other key stakeholders so that they may better understand how we approach different aspects of sustainable investing.	Increased diversification of financial assets	Short-term

1.3. Climate Risk Management

We believe that by incorporating climate risk into our enterprise risk management framework, we can better prepare our business for the potential impacts of environmental changes. We are also enhancing our ERM framework to consider climate-related risks across our operations.

1.4. Metrics and Targets

Synovus is taking steps to measure and reduce our emissions with increased accessibility to electric vehicle charging stations, energy-efficient facilities, and reduced workspace square footage. We also continued to convert more clients to digital transactions and continued our investments in renewable energy.

In 2021, we worked to better understand our enterprise-wide environmental impact, including, among other useful data points, our Scope 1 and Scope 2 greenhouse gas emissions.

SUMMARY OF 2019-2021 SYNOVUS SCOPE 1 AND SCOPE 2 EMISSIONS		Emissions in mtCO2e[1]	
Emissions Categories	2019	2020	2021
Scope 1 Emissions (Stationary Combustion)	598	598	595
Scope 1 Emissions (Vehicle Fleet)	393	393	381
Scope 1 Emissions (Aircraft)	1,523	385	1,204
Total Scope 1 Emissions	2,514	1,376	2,180
Location-Based Scope 2 Emissions	22,974	22,941	21,144
Market-Based Scope 2 Emissions	23,122	23,088	23,684
Total Scope 1 & Location-Based Scope 2 Emissions	25,488	24,317	23,324
Total Scope 1 & Market-Based Scope 2 Emissions	25,636	24,464	25,864

[1] Metric Tons of Carbon Dioxide Equivalent

We continue to assess our own environmental impact and reduction measures as appropriate to reduce, where possible, our GHG emissions.

More information about our environmental metrics and initiatives can be found here at https://www.synovus.com/about-us/esg/.

TCFD Pillar	TCFD Disclosure Recommendation	SNV Disclosure
Governance	a. Describe the Board's oversight of climate-related risks and opportunities.	SNV TCFD Climate Risk Governance: Oversight
	b. Describe the management's role in assessing and managing climate-related risks and opportunities.	SNV TCFD Climate Risk Governance: Managing Climate-related Risk Assessment
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	SNV TCFD Strategy
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	*SNV TCFD Strategy*
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	*SNV TCFD Risk Management*
	b. Describe the organization's processes for managing climate-related risks.	ESG Website: Governance Pillar, ERM Section
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	*SNV TCFD Risk Management/ Strategy*
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	
	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks.	ESG Website: Environmental Pillar
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	