



Truist ESG Bond Framework

February 2021



Background

Truist Financial Corporation is America's 6th largest commercial bank and was formed in 2019 by the merger of equals between BB&T and SunTrust. For nearly 140 years, Truist and our heritage banks have been forging trust and building partnerships with individuals, families, and businesses across the Southeast, initially – and now, across the country.

Our purpose is to inspire and build better lives and communities.

Our mission is three-fold:

- For clients, we aim to provide distinctive, secure, and successful client experiences through touch and technology.
- For our teammates, we aim to create an inclusive and energizing environment that empowers teammates to learn, grow, and have meaningful careers.
- For our stakeholders, we optimize long-term value through safe, sound, and ethical practices.

“Our culture is much more than words on a page – it’s about doing the right thing and living our purpose, mission, and values every day”

- Kelly King, CEO

Investing in our communities is a cornerstone of our culture. Truist is uniquely positioned to serve communities in metropolitan areas, secondary markets, and rural communities. Our community efforts and areas of focus – leadership, economic mobility, small business support, educational equity, and thriving communities – guide the work we do and reflect our desire to uphold our purpose to inspire and build better lives and communities. When we embarked on this journey of merging two successful enterprises that valued its position of making a profound and positive impact, we specifically highlighted enhanced community investment as one of the most meaningful aspects of our merger of equals.

In 2019, we announced the Truist Community Benefits Plan – a \$60 billion 3-year commitment of loans and investments for low- and moderate-income (LMI) borrowers and communities. This commitment includes \$31.9 billion for home purchase mortgage loans to LMI borrowers, in LMI geographies, to minority borrowers, and in majority-minority geographies, as well as \$17.2 billion of community-development lending supporting affordable housing development, small-business growth, and lending to nonprofits for LMI communities. We are also committing to provide \$3.48 billion for Community Reinvestment Act-qualified investments and \$120 million designated for Community Reinvestment Act-qualified philanthropic giving. To further aid with financial inclusivity, we are committing to build 15 new branches during this 3-year plan in LMI and/or minority neighborhoods. To ensure we best

understand and can respond to the unique needs of our target communities, we have employed community-development managers across the Truist footprint and created an external Truist Community Advisory Board.

We execute much of this commitment through Truist Community Capital (TCC) – a client-focused business that provides developers, community development financial institutions (CDFIs) and similar entities, and other fund managers with tailored solutions that meet their operational and growth needs. These include Low-Income Housing Tax Credits (LIHTC), New Markets Tax Credits (NMTC), and Small Business Investment Companies (SBIC). The TCC Community Development Fund provides below-market debt and equity capital relating to affordable housing and economic revitalization, which fall outside TCC’s core business platforms.

Truist is also committed to addressing climate change and protecting the world we live in. The roots for this effort started in our heritage banks.

In 2019, three years ahead of its goal, BB&T achieved a 25% reduction in energy by implementing programs to cut electricity use by 845,000 kilowatt-hours annually, which equals a reduction of about 1.32 million pounds of carbon dioxide. BB&T also met the goal of a 10% reduction in water use four years ahead of schedule.

In 2019, SunTrust planted 1,000 acres of trees – planting one tree for every loan made through its online lending division. In 2019, combined recycling operations across our heritage banks saved nearly 23 million pounds of paper and more than 32 million kilowatts of energy. As CFO Daryl Bible noted, “our merger creates a prime opportunity to rethink and reduce the environmental impact of our operations, real estate footprint, and sourcing practices.” Across the entire franchise, we are being deliberate about topics like building materials and energy efficiency.

Truist also stands at the forefront of renewable energy and financing for our clients. In 2019, we devoted more than \$700 million to investments and financing for renewable energy and a lower-carbon economy. Over the years and through our established lending partnerships, Truist has funded \$1.3 billion of residential solar loans, helping over 75,000 households reduce their carbon footprints through clean energy.

Finally, Truist has stewarded a highly targeted response to the unprecedented COVID-19 crisis. The pandemic affected our Company, our communities, our clients, and our country on a scale unimaginable at the beginning of last year. Through it all, we saw millions of Americans step up to help those less fortunate. We were inspired and joined the effort to help support our teammates, clients, and the communities we serve. To start, we launched Truist Cares, a \$50 million commitment to meet the immediate and long-term needs of our communities, clients, and teammates. During 2020, we were guided by our Purpose, Mission, and Values to contribute in the following ways:

For our communities

We have given 355 grants to our community partners, including:

- \$7 million to local United Way organizations.
- \$2 million to Boys and Girls Clubs of America's COVID-relief funds.
- \$1 million to the CDC Foundation and Johns Hopkins Medicine.
- \$1 million each to LiftFund and National Capital Investment Fund, community development financial institutions.

For our clients

We supported our clients and maintain their continued confidence and trust.

- Provided support to our clients through payment relief assistance through more than 670,000 accommodations for consumer, commercial, and corporate clients (e.g., payment forbearance, deferrals, and extensions).
- Processed \$100 million in COVID-19 Emergency Relief loans for more than 2,300 clients.
- For those homeowners in need, granted more than \$100 million in monthly mortgage payment relief, helping more than 60,000 families.
- Waived \$8.1 million in ATM fees and surcharge refunds for retail and small business debit clients.
- Responded quickly through innovative solutions such as digital payment relief forms, adapting our branch banking approach to leverage the strength of our drive-thru network, launching free check-cashing for non-clients, increasing mobile deposit limits, introducing a new chat bot feature, and broadening eSignature capabilities.
- Offered clients support through COVID-19 response pages on Truist.com that resulted in more than two million unique visitors.

For our teammates

At Truist, we are deeply grateful for the, flexibility, commitment, and professionalism shown throughout the year by our teammates. As they supported our newly merged company, we provided them assistance in the following ways:

- Provided nearly \$100 million in special COVID-19 support for teammates, including bonuses, special reimbursement for childcare and an increase in emergency child- and elder-care benefits, enhanced onsite pay and steps to enhance wellness and family support.
- Provided no cost telehealth and 100% coverage of COVID-19 testing and treatment.

- In appreciation of the increased demands on our workforce, awarded a \$1,200 coronavirus relief bonus to eligible teammates.
- To help with child- and elder-care concerns caused by the pandemic, provided teammates 10 additional days of paid time off these purposes.

This Sustainable Financing Framework (the "Framework") works to align our business to help build towards a more sustainable future for ourselves, our clients, our teammates, and our stakeholders.

Framework overview

The Framework will guide future issuances of green, social, and sustainable senior notes, subordinated notes, and preferred stock (each a "Truist Sustainable Financing") by Truist Financial Corporation and any of its subsidiaries, including Truist Bank (together, the "Entities").

This Framework addresses the four core components of the International Capital Markets Association (ICMA) Green Bond Principles¹, Social Bond Principles², and Sustainability Bond Guidelines³ and their recommendations on the use of external reviews and impact reporting:

- I. Use of proceeds
- II. Project selection and evaluation process
- III. Management of proceeds
- IV. Reporting

I. Use of proceeds

An amount equal to the net proceeds of each Truist Sustainable Financing will be used to finance or re-finance, in part or in full, new and/or existing green and/or social assets that meet the Eligibility Criteria defined below ("Eligible Assets"). Green assets compose the "Eligible Green Portfolio" while social assets form the "Eligible Social Portfolio" (each the "Eligible Portfolio"). Green Financings are securities where the proceeds are allocated to green assets, Social Financings are securities where the proceeds are allocated to social assets, and Sustainability Financings are securities where the proceeds are allocated to both green and social assets. Each of the Eligible Criteria is aligned to UN Sustainable Development Goals (SDGs).

Eligible Assets include existing green/social assets held by Truist Entities 36 months prior to the Truist Sustainable Financing issuance date and new green/social assets acquired post issuance. It is our intention to fully allocate the net proceeds of a Truist Sustainable Financing within 24 months of its issuance.

Truist Entities making disbursements towards Eligible Assets may include, amongst others, Truist Bank, and other parent company subsidiaries.

Eligibility criteria are listed below:

Eligible Category per ICMA Green Bond Principles and UN Sustainable Development Goals	Green Assets Eligibility Criteria
<p>1. Renewable Energy</p>  	<p>Investments, expenditures, and financings dedicated to generation, transmission, and distribution of energy from renewable sources, including:</p> <ol style="list-style-type: none"> I. Wind II. Solar III. Geothermal with direct emissions <math><100\text{gCO}_2/\text{kWh}</math> IV. Hydropower⁴ with power density > 5W/m² V. Tidal power
<p>2. Energy Efficiency</p> 	<p>Investments, expenditures, and financings aimed at reducing energy consumption, including:</p> <ol style="list-style-type: none"> I. Energy efficient heating, ventilation, air conditioning, refrigeration, lighting, and electrical equipment that result in at least 25% energy savings II. Projects that reduce losses in the delivery of bulk energy services or enhance integration of intermittent renewables such as energy storage, smart grids, battery technology, and demand response III. Projects that enable monitoring and optimization of the amount and timing of energy consumption such as smart meters, load control systems, sensors, or building information systems
<p>3. Green Buildings</p> 	<p>Investments and financings of new or existing commercial or residential buildings that have:</p> <ol style="list-style-type: none"> I. Achieved, or expect to achieve, based on third-party assessment, greenhouse gas emission performance in the top 15% of their respective region II. Received, or expect to receive based on its design, construction, and operational plans, certification according to third party verified green building standards, such as: LEED Gold or Platinum standard, BREEAM very good or above, or other equivalent certification schemes
<p>4. Clean Transportation</p>  	<p>Investments, expenditures, and financings of low-carbon transport assets, including:</p> <ol style="list-style-type: none"> I. Zero direct emission vehicles and associated infrastructure (e.g. hydrogen, fuel cell, electric charging stations) II. Infrastructure, rolling stock, and vehicles for electrified public transport and freight, except where the primary purpose is fossil fuel transport
<p>5. Sustainable Water and Wastewater Management</p>  	<p>Investment, expenditures, and financings that improve water quality, water efficiency, or climate change resilience, including:</p> <ol style="list-style-type: none"> I. Technologies and projects for collection, distribution, treatment, recycling, or reuse of water, rainwater, or wastewater II. Infrastructure for flood prevention, flood defense, or storm-water management
<p>6. Pollution Prevention and Control</p>  	<p>Investments, expenditures, and financings that reduce and manage emissions and waste generated, including:</p> <ol style="list-style-type: none"> I. Technologies and projects for collection, sorting, treatment, recycling, or re-use of emissions, waste, hazardous waste, or contaminated soil II. Technologies and projects to salvage, use, reuse, and recycle post-consumer waste products III. Waste treatment and environmental remediation projects, including land treatment and brownfield cleanup, soil washing, chemical oxidation, and bioremediation. Activities will not be directed to fossil fuel or other extractives industries
<p>7. Environmentally Sustainable Management of Living Natural Resources and Land Use</p>  	<p>Investments that enhance ecosystem protection or restoration, including:</p> <ol style="list-style-type: none"> I. Agriculture and fisheries assets with recognized third-party sustainability certifications such as USDA Organic, EU Organic, or Rainforest Alliance II. Forestry assets with recognized third-party sustainability certifications, such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC), and the Sustainable Forestry Initiative (SFI) which is affiliated with PEFC III. Climate smart farm inputs such as biological crop protection or drip-irrigation IV. Preservation or restoration of natural landscapes

Eligible Category per ICMA Social Bond Principles

Social Assets Eligibility Criteria

1. Access to Education



Investments and financings that enhance access to public, not-for-profit, free, or subsidized essential services, including:

- I. Construction, rehabilitation, or enhancement of facilities offering child, youth, or adult education and vocational training services to LMI individuals

2. Affordable Housing



Investments and financings meeting national/regional affordable housing definitions in the applicable jurisdiction, including:

- I. Acquisition, construction, rehabilitation, and/or the preservation of housing that is affordable for LMI individuals and/or families, including:
 - a. Affordable housing for LMI individuals or families with incomes less than 80% of the relevant area median income ("AMI"), including communities financed with LIHTCs or individuals that benefit from Housing Assistance Payment contracts or the housing choice voucher program
 - b. Housing that specifically ensures the availability of units affordable to LMI families or individuals (i.e., federal, municipal, or project-based set-asides)
 - c. Efforts which aim to provide no-cost housing solutions for homeless families or individuals

3. Access to Essential Infrastructure



Investments and financings that enhance access to public, not-for-profit, free, or subsidized essential services, including:

- I. Construction, development, operation, renovation, and/or upgrade of essential community services or infrastructure, such as clean drinking water, sewers, emergency services, transport, or communications, for communities with no access, limited access, or significantly outdated access and are classified as majority LMI or distressed/underserved nonmetropolitan middle-income geographies, or are designated as disaster areas

4. Socioeconomic Advancement and Empowerment



Investments and financings of minority-owned/operated small and medium enterprises ("SME") as defined by Organisation for Economic Co-operation and Development (OECD)

II. Project selection and evaluation process

Truist has established a Sustainable Financing Group, comprising members from Truist Community Capital, Corporate Treasury, Investor Relations, Retail and Commercial Community Banking, and other key internal business units. The Sustainable Financing Group will be responsible for the ultimate review and selection of assets that will qualify as Eligible Assets.

Truist Community Capital, Community Banking, Corporate Investment Bank, and other lending or corporate business units will identify existing and future green or social assets which meet our sustainable investment approach and propose such assets to the Sustainable Financing Group for review and confirmation as Eligible Assets in accordance with the Eligibility Criteria defined in the Truist Sustainable Financing Framework.

During the life of any Sustainable Financing, related Truist lending and corporate business lines will:

- Exclude from the Eligible Green Portfolio or Eligible Social Portfolio projects that no longer comply with the eligibility criteria or that have matured or been reimbursed.
- Determine whether new assets meeting the eligibility criteria should be added to the Eligible Green Portfolio or Eligible Social Portfolio.

Exclusion criteria

Truist commits to not intentionally include any of the following projects or activities in the Eligible Green Portfolio or Eligible Social Portfolio:

- Loans or investments for projects outside of the United States and its territories
- Derivatives
- Loans or investments that have matured
- Alcohol
- Tobacco
- Weapons and arms trade
- Gambling
- Nuclear energy
- Adult entertainment
- Energy generation from fossil fuels
- Predatory lending
- Assets where the potential economic loss to Truist has been assessed and categorized as criticized, classified, substandard, doubtful, or loss

III. Management of proceeds

Truist will establish an internal report, the Sustainable Finance Register, in relation to Truist Sustainable Financings for the purpose of recording the Eligible Assets. Oversight of this register will include leadership from (but not limited to) the Corporate Social Responsibility, Community Reinvestment Act, Corporate Treasury, Business Ethics, and Truist Community Capital groups.

It is Truist’s intention to maintain an aggregate amount of assets in the relevant Eligible Portfolio that is at least equal to the aggregate net proceeds of all Truist Sustainable Financings that are concurrently outstanding. However, there may be periods when a sufficient aggregate amount of Eligible Assets have not yet been allocated to fully cover an amount equal to the net proceeds of all outstanding Truist Sustainable Financings, either as the result of changes in the composition of Truist green or social assets or the issue of additional Truist Sustainable Financings. Any such portion of the net proceeds of Truist Sustainable Financings that have not been allocated to Eligible Assets in the Sustainable Finance Register will be managed in accordance with Truist’s normal liquidity activities, held in cash, cash equivalents, U.S. or other government securities, U.S. agency securities, or U.S. agency mortgage-backed securities.

Truist aims to have fully allocated an amount equal to the net proceeds of each Truist Sustainable Financing within 24 months of issuance.

Payment of principal and interest on any Truist Sustainable Financing will be made from Truist’s general funds and will not be directly linked to the performance of any Eligible Asset.

The Report may include some of the following data for Eligible Assets financed by the Truist Sustainable Financing:

Eligible Category per ICMA Green Bond Principles	Potential Impact Reporting data
1. Renewable Energy	<ul style="list-style-type: none"> Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) Annual GHG emissions reduced/avoided in tons of CO₂ equivalent
2. Energy Efficiency	<ul style="list-style-type: none"> Annual energy savings in MWh/GWh Types and number of energy reduction projects Annual GHG emissions reduced/avoided in tons of CO₂ equivalent
3. Green Buildings	<ul style="list-style-type: none"> Area of certified green buildings in square feet and by certification level Annual GHG emissions reduced/avoided in tons of CO₂ equivalent
4. Clean Transportation	<ul style="list-style-type: none"> Annual GHG emissions reduced/avoided in tons of CO₂ equivalent Transportation infrastructure developed or improved
5. Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> Volume of water saved/treated/reused (m³/a)
6. Pollution Prevention and Control	<ul style="list-style-type: none"> Tons of waste reduced Number of people or % of population provided with improved municipal waste treatment or disposal services Amount of CO₂ reduced
7. Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> Total surface financed (hectares), with reference to specific certification Environmentally sensitive areas protected (acres)

IV. Reporting

Allocation Reporting

Within one year of the issuance of each Truist Sustainable Financing, Truist will publish a report on the CSR section of the Truist website. The Truist Sustainable Financing report will be updated every year until complete allocation, and thereafter, as necessary in the event of material developments. The report will include a summary of outstanding Truist Sustainable Financing issuances, including issuance date, size, maturity date, currency, and format.

The Truist Sustainable Financing report will contain at least the following:

1. Management’s assertion that the use of proceeds of the Truist Sustainable Financing complies with the Truist Sustainable Financing Framework
2. The amount of proceeds allocated to each Eligible Category
3. Where feasible, and subject to confidentiality considerations, for each Eligible Category, one or more examples of Eligible Assets financed, in whole or in part, by the proceeds obtained from the Truist Sustainable Financing
4. The balance of unallocated net proceeds
5. Impact reporting elements as described below

Impact Reporting

Where feasible, the Truist Sustainable Finance Report will include qualitative and (if reasonably practicable) quantitative environmental and social performance indicators. Performance indicators may change from year to year.

Eligible Category per ICMA Social Bond Principles	Potential Impact Reporting data
1. Access to Education	<ul style="list-style-type: none"> Number of educational institutions funded, location, and type
2. Affordable Housing	<ul style="list-style-type: none"> Rental costs compared to the national/regional rent Number of affordable housing units built, refurbished, or sustained
3. Affordable Basic Infrastructure	<ul style="list-style-type: none"> Number of people served
4. Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> Number of loans made Number of people provided broadband access or services

External review

Truist has obtained an independent Second Party Opinion on its Sustainable Financing Framework, which will be published on the CSR section of the Truist website prior to the issuance of the first Truist Sustainable Financing.

Truist will request a qualified independent external reviewer to verify and provide third-party assurance with respect to the management of the Truist Sustainable Financing proceeds and the compatibility of the selected Eligible Assets with the Truist Sustainable Financing Framework. At minimum, this review will be carried out after the full allocation of an amount equal to the net proceeds from the Truist Sustainable Financing and will be published with the Final Allocation Report. Truist will post the external review report on the CSR section of the Truist website.

Endnotes

- 1 International Capital Markets Association, "The Green Bond Principles (GBP) 2018", published on June 14, 2018. <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>
- 2 International Capital Markets Association, "The Social Bond Principles (GBP) 2020", published on June 9, 2020. <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>
- 3 International Capital Markets Association, "The Sustainability Bond Guidelines (SBG) 2018", published on June 14, 2018. <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>
- 4 Large hydro assets >25 MW will be subject to an assessment, based on recognized best practice guidelines, of environmental and social risks and measures to address such risks

Disclaimer

This Framework Report covers our relevant business and community pursuits and does not address the performance or operations of our suppliers, contractors, or partners. The goals, plans, targets, and commitments are aspirational; as such, no guarantees or promises are made that they will be met or successfully executed. Furthermore, data, statistics, and metrics included in this report are non-audited estimates, are not prepared in accordance with generally accepted accounting principles (GAAP), continue to evolve, and may be based on assumptions believed to be reasonable at the time of preparation, but may be subject to revision. This report uses certain terms including those that GRI or SASB refer to as "material" to reflect the issues or priorities of Truist or its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms "material" and "materiality" as defined by or construed in accordance with securities, or other, laws or as used in the context of financial statements and reporting. This report, which speaks only as of its date, is not comprehensive, and for that reason, should be read in conjunction with our 2019 Annual Report on Form 10-K and quarterly reports on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020 unless otherwise noted. This report contains certain forward-looking statements, including statements regarding our corporate social responsibility and environmental, social, and governance targets, goals, commitments, and programs and other business plans, initiatives, and objectives. These statements are typically accompanied by the words "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "plans," "projects," "may," "will," "should," "would," "could," or other similar expressions. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, as amended. Our actual future results, including the achievement of our targets, goals, or commitments, could differ materially from our projected results as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors. Such risks, uncertainties, and factors include the risk factors discussed in our most recent annual report on Form 10-K, and subsequent quarterly reports on Form 10-Q, filed with the Securities and Exchange Commission (SEC), as well as, with respect to our sustainability targets, goals, and commitments outlined in this report or elsewhere, the challenges and assumptions identified in this report. You should consider the forward-looking statements in this report in conjunction with our annual report on Form 10-K and our quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC now and in the future. Truist urges you to consider all of the risks, uncertainties, and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. Truist cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this report are made as of the date of this report, unless otherwise indicated, and we undertake no obligation to update this report to reflect subsequent events or circumstances.

There is currently no legal, regulatory or similar definition of what constitutes a "green" or "social" financing, or as to what precise attributes are required for a particular financing to be defined as "green" or "social". Accordingly, no assurance is or can be given to investors that any Eligible Assets selected to receive an allocation of funds meets or will meet any or all investor expectations regarding such "green" or "social" objectives, or that any adverse environmental, social, and/or other impacts will not occur to the Eligible Assets. For information on characteristics of the financings, use of proceeds, a description of the applicable project(s), and/or any other relevant information about a financing, please reference the prospectus for the note and/or preferred stock offering.