

# Here for Good

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Corporate Social Responsibility &  
Environmental, Social and Governance  
Impact Report

**2023**

Published July 2024





# Here for Good

## 2023 Highlights

### Here *for* Our Clients

**\$6 billion**

in new-to-bank funds and over 32,000 new-to-bank clients gained during deposit campaign

**50+**

technology and operations projects completed in 2023

**90%**

client retention in 2023

**418**

banking centers

### Here *for* Our Associates

**83%**

overall favorability rating Associate Value Survey

**82%**

associate favorability rating Wellbeing Pulse Survey

**100,500+ hours**

of training completed during 1,772 courses

**10**

Associate Resource Groups

### Here *for* Our Communities

**\$183 million**

community development investments

**\$355 million**

community development loans

**27,000+ hours**

serving non-profit organizations, with over 15,000 CRA hours

**\$18 million**

distributed to 1,600+ non-profits through First Horizon foundations

### Here *for* Our Environment

**39%**

reduction in Scope 1 & 2 greenhouse gas emissions from 2019 baseline

**144**

efficiency enhancements in facilities and banking centers

**\$1.3 billion**

in renewable energy project financing since 2017

**\$40,000+**

donated to OCIA to advance climate progress through ocean research

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## What's Inside

Our voluntary Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) Impact Report highlights the progress we made in 2023. As ESG evolves in the financial services sector, we continue to enhance and adjust our efforts in line with industry and stakeholder expectations. Our focus is centered around our five interrelated pillars - Clients, Associates, Communities, Environment and Governance and our commitment to be Here for Good for our stakeholders.

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# A Message from **Our President and CEO**

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Reflecting on the past year, I am incredibly proud of the resilience of our team and the growth we achieved. Our associates continued to demonstrate a relentless commitment to our clients, communities and each other while delivering results for our shareholders. At the center of all that we do are our Purpose, Values and Commitment, by which we hold ourselves to the highest standards of ethical conduct and operational excellence. Our market centric business model coupled with specialty banking capabilities helps us attract and retain diverse client relationships and to understand the needs of each of the communities we serve across our vibrant 12-state footprint. We are committed to listening, understanding and delivering for our stakeholders and are pleased to share some examples of how our team strives to be Here for Good every single day.

Corporate social responsibility (CSR) has always been foundational to our organization. We view environmental, social and governance matters as both risks and opportunities and continue to evolve our priorities to align with changing dynamics.

Our corporate responsibility efforts center around five interrelated pillars—Clients, Associates, Communities, Environment and Governance— which are grounded in our commitment to be Here for Good for our stakeholders. As we strive to continue to be a sustainable organization and manage environmental, social and governance matters in our business, we remain focused on creating value for our stakeholders, not just for the next quarter, but for the long-term future of our Company.

In late 2023, we conducted our first stakeholder assessment working with a third-party firm to ensure the assessment was aligned with industry standards and administered from an objective point of view. The results of this assessment have been integrated into our guiding pillars and focus areas and are highlighted throughout this report.

At the heart of our Here for Good commitment are our clients, associates and communities. We believe success begins with nurturing and investing in talent and putting our people first. That means creating an environment where diverse perspectives are welcome, opportunities for advancement and training are available and mentorship is encouraged. Our team's collective commitment to create and drive meaningful, sustainable value for every stakeholder continues to be one of our greatest differentiators.

Our team of banking veterans is experienced in building strong relationships and local community ties. We provide personalized service based on a deep understanding of our client's needs and proactively



work to achieve a long-term vision for our clients' futures. As a people-led, technology-enabled organization, we are continuously making strategic investments to support our clients and to ensure we are positioned for growth and scalability well into the future.

Our steadfast commitment to foster thriving communities is passionately embraced throughout our organization. We engage in initiatives that support the underserved and create healthier and more sustainable neighborhoods, striving to enhance the quality of life for all. By strategically investing in organizations and programs tailored to the unique needs of each community, we endeavor to create lasting positive impacts for future generations.

Our environmental strategy is anchored in partnerships with scientific organizations and projects that drive meaningful, action-oriented solutions and impactful change. We continue to enhance our capabilities to identify, monitor and measure potential climate-related risks that could manifest in many areas of our risk taxonomy as well as provide new business opportunities.

We are releasing this report amidst a dynamic shift in the climate arena, marked by the pending SEC climate-related disclosure rules and the adoption of climate legislation in states like California. As we adapt to the changing landscape of climate action, we have taken proactive steps to quantify our Scope 1 and 2 emissions, integrate sustainable practices, align with the Task Force on Climate-Related Financial Disclosures (TCFD) framework and catalyze nature-based solutions, recognizing our integrated footprint in the 'blue' economy.

As we look ahead, we will continue to focus on improving what we already do well and enhancing other areas in line with stakeholder expectations. We will always conduct business on a foundation of good corporate governance and uncompromised ethics and believe it is important to remain non-political, develop meaningful partnerships and evaluate all risks and opportunities in support of building long-term shareholder value.

I am thankful to our associates, clients and stakeholders for their support in helping us become the trusted financial institution we are today and honored to lead this organization as we continue our 160-year legacy of excellence and fulfill our promise to be Here for Good.

**D. Bryan Jordan**

Chairman, President and CEO

## Delivering on Our Purpose

At the center of all that we do are our Purpose, Values and Commitment, holding ourselves to the highest standards of ethical conduct and operational excellence.

### our purpose

Help our clients unlock their full potential with capital and counsel.

### our values

- Puts clients first
- Cares about people
- Commits to excellence in everything we do
- Elevates equity
- Fosters team success

### our action

## Own *the* Moment

listen | understand | deliver

A Message from

# Our Nominating and Corporate Governance Committee Chair

The last year has been one of transformation for First Horizon. As the organization continues to grow, integrating sustainable and responsible practices into the business model is critical to our success. We continue to see environmental, social and governance practices evolve at a rapid pace. It has never been more important for organizations like First Horizon to remain committed to managing associated risks and looking for opportunities that benefit our stakeholders.

The Nominating and Corporate Governance Committee of the Board continues to have significant focus on environmental, social and governance matters. We recognize that progress is not made overnight, and sustainability is a journey. We look forward to continuing to ensure we take the right steps to make an impact in areas most important to our stakeholders.



**John Compton**

Nominating and Corporate  
Governance Committee Chair

## About this Report

This Corporate Social Responsibility & Environmental, Social and Governance Impact Report summarizes our commitment to be Here for Good. It highlights our commitments, activities and programs regarding corporate social responsibility and environmental, social and governance matters. Due to the continued evolution and enhancements of our sustainability efforts, it covers our progress and programs for 2023 unless a different date is specifically noted in the text. It is intended to provide a high-level overview with selected examples; it is not a comprehensive description, financial presentation or legal summary of those programs and involvements. This report presents information we believe was accurate at the time we released the report. We have no duty and make no commitment to provide later updates.

In this report we voluntarily disclose our corporate responsibility efforts by utilizing frameworks such as Task Force on Climate-Related Financial Disclosures (TCFD), Carbon Disclosure Project (CDP) and

Sustainability Accounting Standards Board (SASB) standards. We also disclose selected information touching on corporate responsibility and environmental, social and governance matters in our Annual Report on Form 10-K and our annual Proxy Statement, both of which are available in the investor relations section of our website and at [www.sec.gov](http://www.sec.gov).

This report contains forward-looking statements identified by words such as “believe,” “expect,” “anticipate,” “intend,” “estimate,” “should,” “is likely,” “will,” “going forward” and other expressions that indicate our current views of future events, trends and aspirations. These may or may not be followed by or reference cautionary statements. A number of factors could cause actual results to differ materially from those in our forward-looking statements. These factors are outlined in our most recent quarterly and annual financial reports on Forms 10-Q and 10-K, available in the Investor Relations section of our website and at [www.sec.gov](http://www.sec.gov).



# About First Horizon



First Horizon Corporation (NYSE: FHN), with \$81.8 billion in assets as of March 31, 2024, is a leading regional financial services company, dedicated to helping our clients, communities and associates unlock their full potential with capital and counsel.

Headquartered in Memphis, TN, the banking subsidiary First Horizon Bank operates in 12 states across the southern U.S. The Company and its subsidiaries offer commercial, private banking, consumer, small business, wealth and trust management, retail brokerage, capital markets, fixed income and mortgage banking services. First Horizon has been recognized as one of the nation's best employers by Fortune and Forbes magazines and a Top 10 Most Reputable U.S. Bank.

More information is available at our website [www.firsthorizon.com](http://www.firsthorizon.com)

# Executive Leadership Team

Our experienced executive team is dedicated to fostering an engaging, inclusive culture through our shared purpose and values. The team possesses deep industry knowledge, well-rounded business perspectives and the proven ability to adapt as the industry continues to rapidly evolve.



**D. Bryan Jordan**  
Chairman, President and CEO



**Terry Akins**  
Chief Risk Officer



**Beth Ardoin**  
Chief Communications  
Officer



**Hope Dmuchowski**  
Chief Financial Officer



**Tanya Hart**  
Chief Human Resources  
Officer



**Thomas Hung**  
Deputy Chief Credit  
Officer



**Tammy LoCascio**  
Chief Operating  
Officer



**David Popwell**  
President,  
Specialty Banking



**Erin Pryor**  
Chief Marketing  
Officer



**Anthony Restel**  
President,  
Regional Banking



**Mohan Sankararaman**  
Chief Information Officer



**Susan Springfield**  
Chief Credit Officer



**Vernon Stafford Jr.**  
Chief Audit Executive



**Charles T. Tuggle Jr.**  
General Counsel

## Executive Leadership Statistics

**43%** have held client-facing roles in their careers

**15 years** average tenure with the Bank

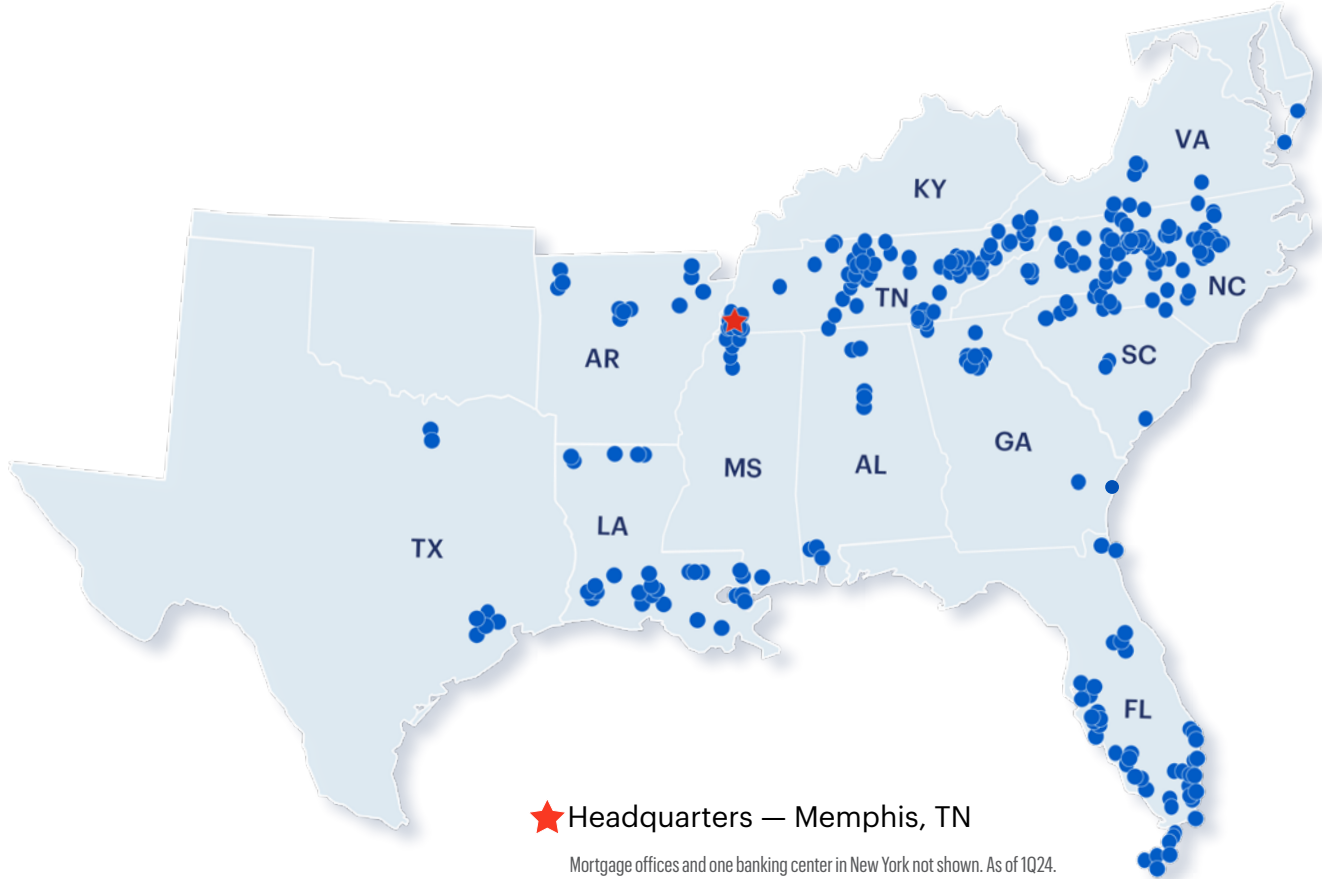
**25 years** average banking experience

As of 4/15/2024 Thomas Hung joined the executive leadership team and will succeed Susan Springfield following her retirement in late 2024.



# Who We Are

## Our 12-State Banking Center Footprint



## By the Numbers



Banking Centers

**418**



Assets

**\$81.8B**



Banking Center States

**12**



Loans

**\$61.8B**



Associates

**~7,300**



Deposits

**\$65.7B**

# Financial Highlights

In 2023, the strength and stability of our 160-year-old company positioned us to successfully navigate changing economic environments and turmoil in the banking industry. Throughout the year, our associates leveraged our strong capital and diversified liquidity position to continuously serve and support our clients. Our Company delivered stable adjusted pre-provision net revenue year over year, and we managed our balance sheet for safety and soundness, including maintaining a smaller securities portfolio relative to peers with a focus on interest rate risk and liquidity.

## 2023 Performance Highlights

- **Diversified Business Model** - Demonstrated ability to perform through the economic cycle with adjusted pre-tax pre-provision in 2023 consistent with 2022. Benefited from asset sensitivity with 32 basis points of non-interest margin expansion in 2023.
- **Prudent Risk Management** - Generated 123 basis points of CET1 over the course of 2023. Strong CET1 ratio of 11.4% and TBV per share increased 19% in 2023.
- **Attractive Southeast Footprint** - Deposit growth of 4% significantly outperformed an industry decline of 2%, while loan growth of 5% outpaced 2% industry growth<sup>1</sup>.
- **Extraordinary Client Base** - We have long tenured, deep relationships with our clients; retained +90% of the client base in 2023, which has 9+ years of tenure at the Bank.

<sup>1</sup>FHN data presented for the year 2023 or as of 12/31/2023, as applicable. Source for industry data: H8 data series of the Federal Reserve Board, 12/28/22 to 12/27/23.

<sup>2</sup>Adjusted financial measures, including measures excluding deferred compensation, are Non-GAAP and are reconciled to GAAP measures in the appendix.

## 2023 Financial Highlights

ROCE	11.0%
ROTCE <sup>2</sup>	14.1%
ADJUSTED ROTCE <sup>2</sup>	13.0%
ROA	1.1%
ADJUSTED ROA <sup>2</sup>	1.1%
DILUTED EPS	\$1.54
ADJUSTED EPS <sup>2</sup>	\$1.43





# Strategic Plan

In October 2023, our Board of Directors approved a three-year strategic plan to leverage our superior footprint and client relationships. The plan focuses on profitability, accelerating our technology transformation and elevation of our people and communities to drive enhanced shareholder returns.

## Three Key Components:

<b>Protect Profitability</b>	<b>Accelerate Transformation</b>	<b>Elevate People and Communities</b>
<ul style="list-style-type: none"><li>• Execute Regional and Specialty Bank plans to drive diversified deposit growth</li><li>• Leverage diversified lending expertise to enhance risk-adjusted returns</li></ul>	<ul style="list-style-type: none"><li>• Increase investment in technology</li><li>• Simplify and upgrade experiences to ensure that quality and client experience are paramount</li></ul>	<ul style="list-style-type: none"><li>• Win with talent</li><li>• Maintain our reputation as an employer of choice</li><li>• Help our communities thrive through reinvesting and social responsibility</li></ul>



# Our Corporate Responsibility Commitment and Strategic Direction

Operating responsibly and creating a more sustainable company is important to the growth and future of our organization. Our corporate responsibility strategy continues to encompass environmental, social and governance priorities for our stakeholders and remains centered around five interrelated pillars—Governance, Associates, Clients, Communities and Environment. We continue to engage with our advisors and peers and track regulatory momentum to guide our strategy.

We have always seen environmental, social and governance factors as both risks and opportunities to our business. With heightened regulatory expectations and industry progress, we are seeing these factors becoming embedded into business and capital allocations, rather than remaining stand-alone initiatives.

As we look ahead, we intend to continue to improve what we already do well and enhance other areas in line with stakeholder expectations. We believe it is important to remain non-political, develop meaningful partnerships and evaluate all environmental, social and governance related risks and opportunities that align with long-term shareholder value.

**Terry Akins**, Chief Risk Officer, **Tanya Hart**, Chief Human Resources Officer, **Susan Springfield**, Chief Credit Officer, **Erin Pryor**, Chief Marketing Officer, **Beth Ardoin**, Chief Communications Officer, **Tammy LoCascio**, Chief Operating Officer, **Hope Dmuchowski**, Chief Financial Officer



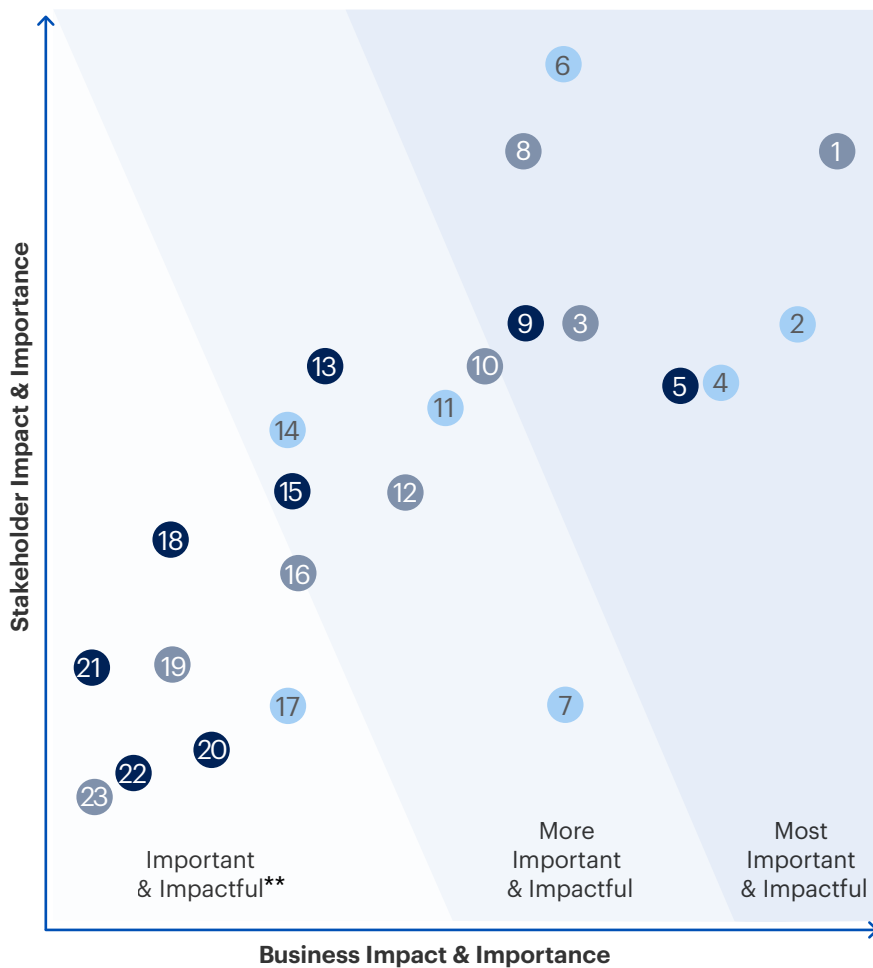


# Stakeholder Assessment

In late 2023, First Horizon conducted our first stakeholder assessment\*. We worked with a third-party vendor to ensure the assessment was aligned with industry standards and administered from an objective point of view.

To effectively evaluate how key environmental, social and governance issues impact our business and stakeholders, First Horizon solicited feedback from a variety of clients, associates and investors. The assessment offered valuable insight into all environmental, social and governance rating and ranking criteria, reporting frameworks, media, peers and research reports. The knowledge gained through the assessment was vital to identifying potential risks and opportunities for our organization and inform our environmental, social and governance strategy, focus areas and reporting as we move forward. The results were shared with the Nominating and Corporate Governance Committee of the Board, our ESG Working Group and other key stakeholders throughout the organization.

## Summary Results of Stakeholder Assessment



### Governance

1. Privacy and Cybersecurity
3. Ethics and Compliance
8. Transparency and disclosure
10. Enterprise risk management
12. Corporate governance
16. Fair and responsible banking

### Environmental

5. Climate risk management & integration
9. Financing and investments related to climate and energy transition
13. Emissions related to our value chain
15. Sustainable finance products

### Social

2. Diversity, equity and inclusion
4. Associate attraction, development and retention
6. Community investments and economic development
7. Community financial literacy
11. Accessible and equitable banking
14. Volunteerism and philanthropy

\*Sometimes referred to as a "materiality assessment."

\*\*Topics plotted in the Important & Impactful illustration above: 17. Associate wellness and benefits; 18. Energy use and emissions related to our facilities; 19. Public policy and advocacy; 20. Environmental justice; 21. Other operational environmental impacts (i.e. water, waste); 22. Biodiversity and natural resource conservation; and 23. Supply chain management.

# Our Focus Areas and Progress

It is imperative that our focus areas remain aligned with our stakeholder's views and priorities and that we continuously incorporate feedback into our sustainability strategy. In response to what we learned from our initial stakeholder assessment, we updated our focus areas to reflect the views and topics most important to our stakeholders. Below reflects these updates and our 2023 progress.

	Focus Areas	2023 Progress
<b>Clients</b> Serve clients extraordinarily well and dedicate resources to the underbanked	<ul style="list-style-type: none"> <li>• Privacy and cybersecurity</li> <li>• Financial literacy</li> <li>• Accessible and equitable banking</li> </ul>	<ul style="list-style-type: none"> <li>• High level portfolio reviews for business risks and opportunities</li> <li>• Invested in new technology</li> <li>• Client engagement around environmental, social and governance</li> </ul>
<b>Associates</b> Invest in our associates and foster an inclusive and collaborative culture	<ul style="list-style-type: none"> <li>• Advancement and retention</li> <li>• Development programs</li> <li>• Health, financial, family and career wellness</li> <li>• Foster a culture of collaboration, equality and cohesion</li> </ul>	<ul style="list-style-type: none"> <li>• Added environmental, social and governance questions to Associate Value Survey</li> <li>• Improved tools, resources and support to promote associates' financial, mental and physical wellbeing</li> </ul>
<b>Communities</b> Strengthen our communities through strategic partnerships and investments	<ul style="list-style-type: none"> <li>• Access to housing</li> <li>• Economic development and opportunity</li> <li>• Financial capability and stability</li> <li>• Volunteerism and philanthropy</li> </ul>	<ul style="list-style-type: none"> <li>• Announced \$50 million commitment to our communities</li> <li>• Executed Community Reinvestment Act (CRA) Strategy</li> <li>• Furthered community financial literacy through Operation HOPE, Junior Achievement and other programs</li> </ul>
<b>Environment</b> Operate responsibly and positively influence our value chain	<ul style="list-style-type: none"> <li>• Preservation and restoration</li> <li>• Climate risk management</li> <li>• Sustainable financing and investments</li> <li>• Facility and value chain emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Responded to Carbon Disclosure Project (CDP) questionnaire</li> <li>• Joined Risk Management Association Climate Risk Consortium</li> <li>• Sustainable finance education and research progress</li> <li>• Joined Ocean Climate Innovation Accelerator</li> <li>• Monthly associate engagement events</li> <li>• Invested in efficiency upgrades in buildings and banking centers</li> </ul>
<b>Governance</b> Lead with sound governance practice	<ul style="list-style-type: none"> <li>• Risk management</li> <li>• Transparency and disclosure</li> <li>• Ethics and compliance</li> <li>• Stakeholder outreach</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder assessment</li> <li>• Focused conversations around climate related risks and controls</li> <li>• Restructured working group and task forces to be more operational risk and oversight</li> <li>• Conducted rating agency gap analysis</li> </ul>

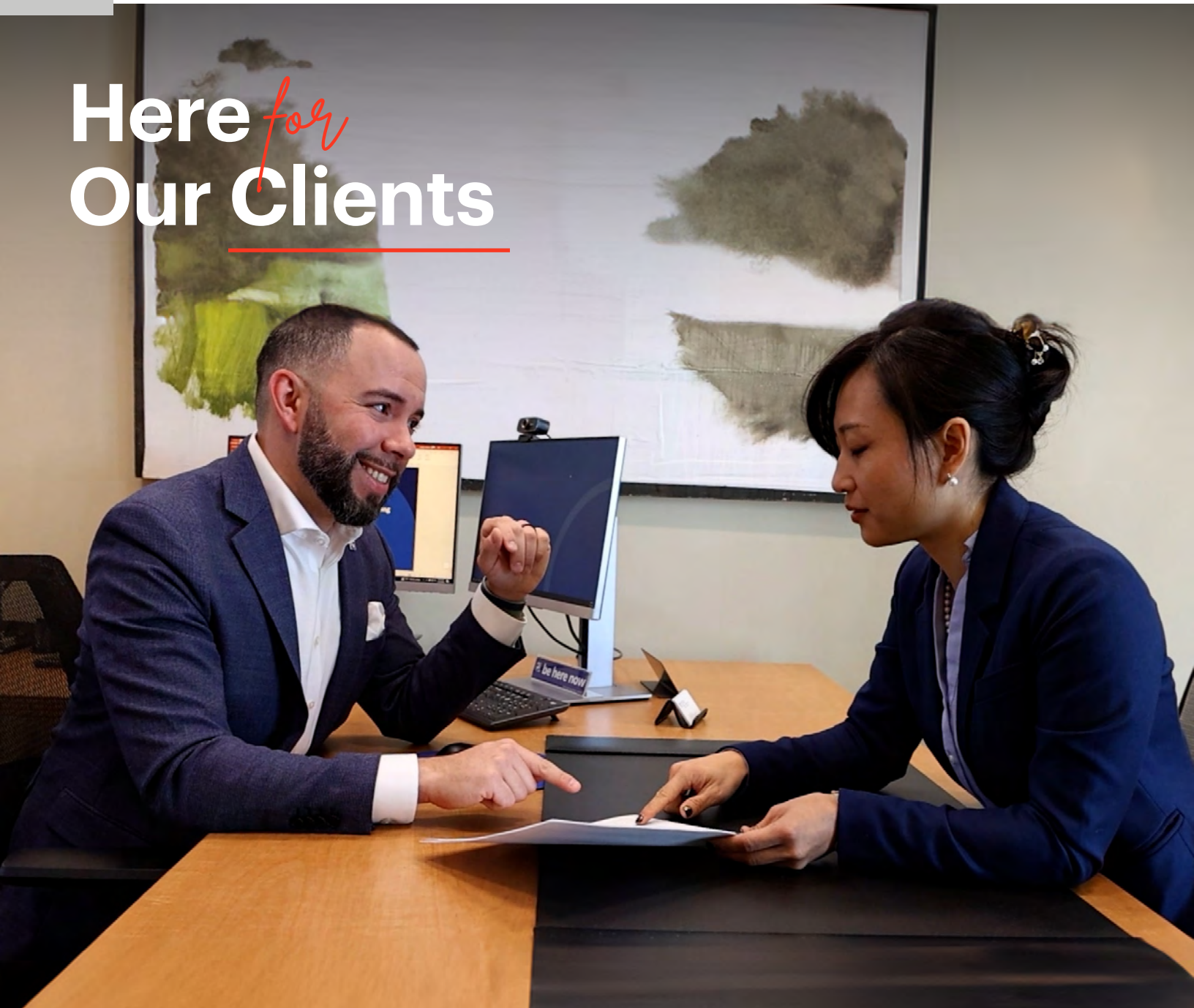


# Ongoing Stakeholder Engagement

In addition to our stakeholder assessment, we remain committed to ongoing and open dialogue with our stakeholders to gain critical insights that continue to help shape our business.

Stakeholder	Ways We Engage	Topics of Interest
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Investor meetings/roadshows</li> <li>• Sell-side conferences</li> <li>• Earnings calls</li> <li>• Outreach calls/meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term strategy</li> <li>• Financial performance</li> <li>• Governance</li> </ul>
<b>Associates</b>	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Intranet</li> <li>• Mentor program</li> <li>• Wellness program</li> <li>• Quarterly check-ins/Year-end reviews</li> <li>• Matching gifts program</li> <li>• Leadership grants</li> <li>• Volunteer opportunities</li> <li>• Weekly newsletter</li> <li>• Quarterly earnings calls</li> <li>• Associate Resource Groups</li> </ul>	<ul style="list-style-type: none"> <li>• Benefits and wellness</li> <li>• Sustainability</li> <li>• Community engagement</li> <li>• Diversity, equity and inclusion</li> <li>• Training and leadership development</li> <li>• Culture training</li> <li>• Financial performance</li> <li>• Flexible work time and arrangements</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>• Frequent meetings/touchpoints</li> <li>• Client surveys</li> <li>• Client emails, mailings and videos</li> <li>• Stakeholder Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability</li> <li>• Challenges and opportunities</li> <li>• Economic environment</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>• Target examinations</li> <li>• CRO and executive meetings</li> <li>• Ongoing monitoring reports</li> </ul>	<ul style="list-style-type: none"> <li>• Risk programs</li> <li>• Corporate changes</li> <li>• Regulatory updates</li> </ul>
<b>Communities (non-profits)</b>	<ul style="list-style-type: none"> <li>• Funding support of community programs and initiatives</li> <li>• Volunteer, community service and board membership by associates</li> <li>• Local market advisory boards</li> <li>• National Community Advisory Board</li> <li>• Foundation support</li> <li>• Events and sponsorships</li> </ul>	<ul style="list-style-type: none"> <li>• Financial literacy</li> <li>• Sustainability</li> <li>• Diversity, equity and inclusion</li> <li>• Education and leadership</li> <li>• Affordable housing</li> <li>• Human and health services</li> </ul>

# Here *for* Our Clients



Putting clients first is at the forefront of our corporate values. Backed by a deep understanding of client needs, our experienced team of bankers build strong relationships with clients and serve in their local communities.

By continually improving ways we listen to clients, we gain valuable insights that help shape the way we do business. Client insights help drive technological advancements and process improvements that improve experiences for clients and associates. Protecting client information remains our top priority. First Horizon continues to make significant investments in safeguarding practices designed to protect sensitive information with enhanced cybersecurity measures.

As a people-led, technology-enabled organization, our strategic investments support clients and ensure we are positioned for growth and scalability well into the future.

# Client Service Teams

Our diversified business model provides a wide range of banking products and services through the expertise of our Regional Banking and Specialty Banking lines of business.

## Regional Banking

### Local Banking Teams

- Retail
- Small Business
- Business Banking
- Commercial
- Private Client

### Business Lines

- Music, Sports and Entertainment

### Products

- Merchant Services
- Small Business Administration (SBA)
- Treasury Management Services
- Wealth Management

## Specialty Banking

### Business Lines

- Asset-Based Lending
- Commercial Real Estate
- Community Investment Group
- Corporate Banking
- Corporate Healthcare Banking
- Correspondent Services
- Energy
- Equipment Financing/Leasing
- Franchise Finance
- Healthcare Sponsor Finance
- Mortgage Warehouse Lending
- Renewable Energy Financing

### Products

- Debt Capital Markets
- Fixed Income
- International Services
- Loan Syndications



## Expanding our Footprint

In August of 2023, we announced the opening of our First Horizon St. Simons Island banking center, marking the newest addition to our footprint. This beautiful community holds a special place on the Georgia coast, and we are thrilled to become an integral part of its fabric. First Horizon Foundation made a donation to a local environmentally oriented organization in recognition of our joining the community.



# Specialized Teams and Products

## Asset-Based Lending

Financing for working capital, expansion, equipment, refinancing or recapitalization for businesses specializing in wholesale distribution, manufacturing, transportation and logistics, commercial and consumer finance and factoring

## Commercial Real Estate

Short and long-term funding for large commercial real estate projects, including construction or renovation of retail, Class A office space, industrial and multi-family

## Community Investment Group

Public welfare investments in projects and businesses that qualify for federal low-income housing, new markets and historic rehabilitation tax credits

## Corporate Banking

A broad set of credit and treasury services to public and private corporations with revenues exceeding \$50 million

## Corporate Healthcare Banking

Customized financial service solutions to healthcare companies representing a wide range of the industry's sub-sectors and encompassing a nationwide geographical footprint. Supports a rapidly growing client base with capital for expansions, acquisitions, working capital, equipment, leasing and other debt and treasury management products and services

## Correspondent Services

A wide range of financial services to community banks and credit unions, including financing and credit needs, liquidity management and deposits and security safekeeping

## Debt Capital Markets

Provides efficient and competitive capital markets access to corporate clients; enables our investment bankers to provide a breadth of capital raising options, including the underwriting, marketing and execution of a full range of debt alternatives for companies across a variety of industries and credit profiles

## Energy

Financing for companies involved in the extraction and processing of oil, natural gas and refined products, as well as midstream infrastructure (gathering, processing, transportation and water gathering, disposal and recycling systems) and oilfield service companies

## Equipment Financing/Leasing

Loan and tax-advantaged leasing products for medium and large ticket equipment tailored to minimize upfront investment and optimize cash flow and tax objectives; industry specialties include transportation, manufacturing, healthcare and construction

## Fixed Income

FHN Financial is an industry leader in fixed income sales, trading and strategies for institutional clients in the U.S. and abroad; additional products and services, including debt capital markets, public finance, interest rate derivatives, loan trading and consulting, asset liability management, portfolio accounting and institutional investment advisory to assist with balance sheet management (for more details see [page 21](#) on FHN Financial)

## Franchise Finance

Lending, deposit and treasury services for restaurant and fitness operators across the United States to support recapitalizations, acquisitions and new unit development and remodels

## Healthcare Sponsor Finance

An array of financial products and services to leading private equity firms that invest in companies addressing our healthcare system's needs

## International Services

Customized financial solutions to businesses operating internationally, including enabling international transactions and credit, funds transfer solutions and currency exchange

## Loan Syndications

Leads, structures and arranges complex financing solutions for larger, middle market borrowers that are then funded by a group of participating banks. Partners with commercial lending, commercial real estate and specialty lending teams to offer customized debt capital structures that help clients achieve their strategic objectives, such as mergers and acquisitions, recapitalizations and capital expenditures

## Merchant Services

From contactless payments to online ordering, First Horizon Merchant Services offers a wide range of innovative payment solutions designed to create efficiencies and convenience

## Mortgage Warehouse Lending

Lines of credit to independent mortgage companies to fund residential mortgages sold into the secondary market

## Music, Sports and Entertainment

Commercial banking, private banking and wealth advisory services to companies in the Music, Sports and Entertainment industries as well as entertainers, athletes and business professionals in these respective industries; includes loans and lines of credit, catalogue acquisition financing, songwriter contract advances, equipment financing, production financing and real estate financing

## Renewable Energy Finance

Debt and tax equity project financing for renewable energy projects located in the United States; construction / tax equity bridge loans, term financing, sale and leaseback tax equity financing and focus on utility scale and distribution for solar, battery storage and wind generation projects developed by experienced sponsors and independent power producers

## SBA

Small businesses financing that is guaranteed by the U.S. Small Business Administration (SBA) through the SBA 7a program as well as SBA 504 loan products

## Treasury Management Services

A full suite of products and services to support business clients payables, receivables, liquidity management and reporting needs; includes ACH, wire, controlled disbursements, investment and loan sweeps, fraud protection, commercial card, vault and lockbox

## Wealth Management

Wealth management expertise and customized advice in investments, trusts, financial planning, insurance and more to help clients reach their financial goals



**Anthony Restel**, President, Regional Banking, and **David Popwell**, President, Specialty Banking

# Client Investment Capabilities

In addition to traditional banking services, we operate two specialty groups that provide investment opportunities and solutions: First Horizon Advisors and FHN Financial.

## First Horizon Advisors

With 48 trust officers, 115 financial advisors and 10 financial planning professionals, the mission of First Horizon Advisors is to provide clients with access to a range of resources that can help them build their financial future.

Our Investment Committee (IC) educates our investment advisors, financial planners and portfolio strategists on the basic concepts of Socially Responsible Investing (SRI) and environmental, social and governance investing. Members of the IC have done extensive research and have written several articles and research notes on this topic. We continue to evaluate screening/scoring tools and have ongoing discussions with asset managers about their offerings and capabilities in this area.

First Horizon Advisors is closely involved with First Horizon's Women & Wealth Initiative by providing speakers and content to support efforts across our geography to engage, empower and enrich the lives of women as they manage their finances. First Horizon Advisors was involved in hosting more than 10 events geared towards women in 2023 in partnership with our markets.

Additionally, First Horizon Advisors provides speakers and content to support the Bank's Affordable Housing Lending efforts across our footprint. In 2023, speakers presented on local housing market trends in affordability, inventory, interest rates and general economic conditions.



First Horizon Advisors provided content and speakers for the Bank's sponsorship of TEDWomen 2023. The event welcomed 1,500+ attendees representing 50% executive level from 40 countries. TED hosts its flagship conference to present our world's future through radical change and innovation with bold ideas shared from the TED stage and within the venue. Participants have the opportunity to showcase their vision for the future as seen through their industry with product unveilings, unique data insights, portrayals of captivating individuals within their ecosystem and interactive experiences for TED attendees.





## FHN Financial

FHN Financial plays an important role in providing leading services, product solutions and expert commentary to help clients manage their fixed income investment strategies and portfolios.

As sustainability principles become more ingrained in the investment process, FHN Financial has been developing solutions and support to ensure our clients achieve their sustainability goals.

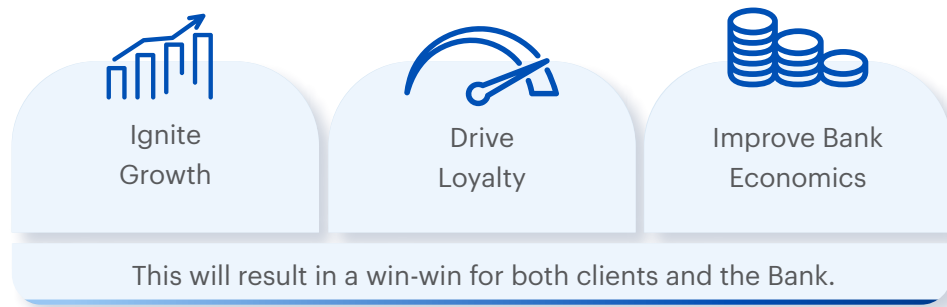
To anticipate needs in this rapidly evolving market, FHN Financial created an Environmental, Social and Governance Task Force in May 2021 with representatives in each product area and key services areas. The goals of the Task Force are to define our role in the sustainable bond market, align with the Bank's corporate social responsibility strategy, educate our associates and clients and identify solutions to generate revenue. The Task Force's efforts have produced and supported a number of product innovations, educational materials and initiatives in recent years.

<b>Portfolio Strategies</b>	In the summer of 2021, FHN Financial published a series of product primers to educate our clients on the role of sustainable bonds in each of our core markets. In addition to security-specific guidance, FHN Financial is also well-positioned as a resource on environmental, social, and CRA regulations and plans continued education on these topics.
<b>Public Finance</b>	The Public Finance group works with state and local governments to identify and finance sustainable infrastructure projects that align with each issuer's unique needs and values. Recent projects include renewable energy, micro grids, electric vehicle charging infrastructure and community broadband, among others. As the sustainable municipal bond market continues to expand and mature, the Public Finance group will be ready with new and innovative financing solutions to meet issuers' needs.
<b>Municipal Products</b>	FHN Financial's Municipal Credit Strategies Group developed a tool to help clients assess portfolio exposure to various climate risks, including hurricanes, wildfires and sea level rise, among others. The product officially launched in August 2021 but continues to undergo enhancements that include refinements to data sources, more actionable summaries for portfolio managers and single issuer analysis for pre-purchase due diligence. Additional initiatives in the municipal area include expansion of our CRA platform to include green-, social- and sustainability-labelled securities.
<b>Debt Capital Markets</b>	FHN Financial's Debt Capital Markets Group routinely works with issuers to describe the benefits of structuring and executing sustainable bond transactions in the corporate bond market. As the market for sustainable transactions continues to evolve, our team is poised to assist clients in efficiently executing transactions in the marketplace.
<b>Corporate Products</b>	FHN Financial's Corporate Credit Strategies Group provides clients with comprehensive investment ideas across the sustainable corporate bond landscape. Applying the sector, issuer and bond level analytics of the Corporate Credit Review engine, the team has developed a dynamic ESG model portfolio that guides portfolio construction with corporate bonds that carry specific ESG covenants.

# Client Experience (CX)

## Why CX is Important

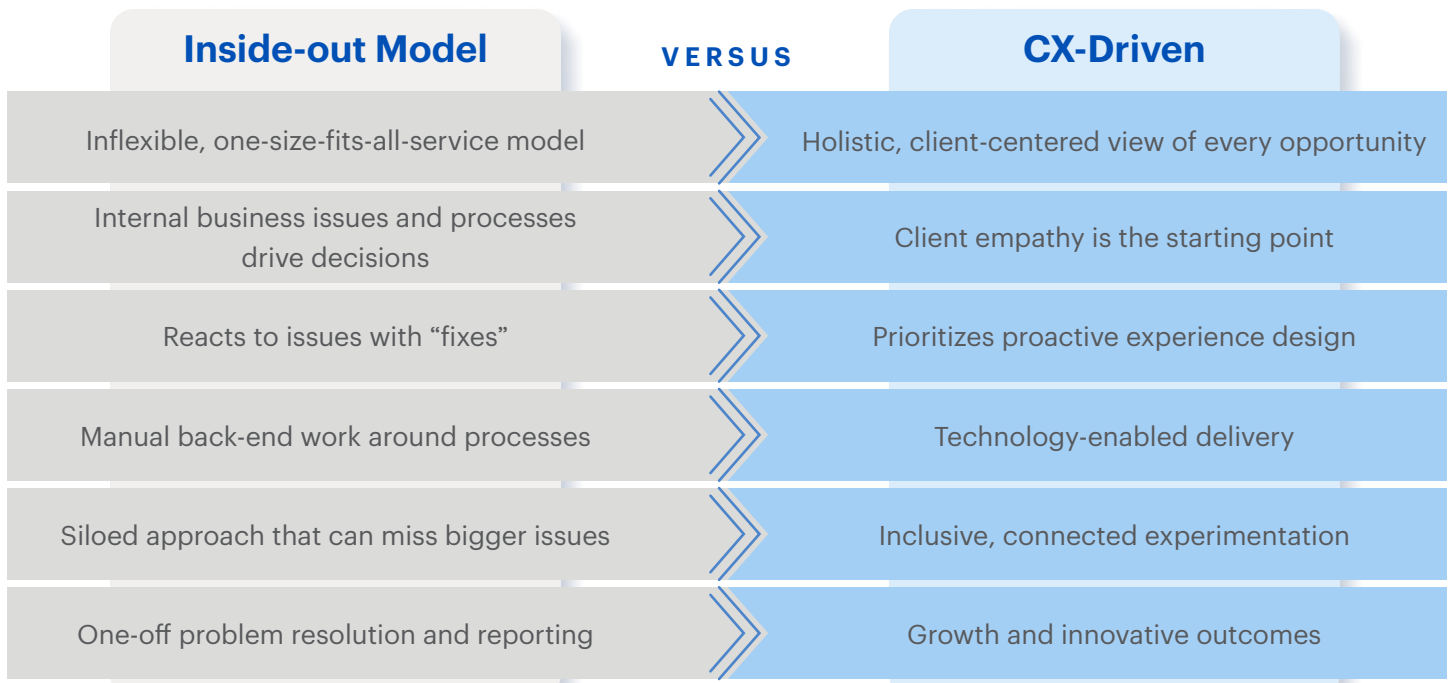
The goal of First Horizon’s multidimensional, technology-driven approach to elevating the client experience is to become more relevant to clients throughout their lifetimes so that we can:



Transforming the client experience creates opportunities to increase profitable revenue, reduce costs and drive client lifetime value.

## Our Approach

How does an outside-in, CX-driven approach differ from a service model that builds from the inside-out?



# FH360: Powered by Financial Services Cloud

In 2023, we began a commitment to deepening client-centricity by beginning implementation of FH360, technology that creates a unified view of client activity and insights across all channels. This layered view will allow us to connect sales, service and marketing for personalized experiences – even anticipate a client’s needs.

Our FH360 program will focus on modernizing the client relationship manager platform that enables associates to connect and manage relationships with prospects and clients in a whole new way while reducing operating costs. This will empower the entire bank to work smarter and be more productive with connected data and front-end unification of systems, process and insights.



## How It Works

### Unify client engagement

Create an engagement layer with data and insights about client activity across any channel.

### Personalize banking experiences

Transform interactions with 1:1 experiences across channels and through capabilities like CRM and distributed marketing.

### Future-proof solutions

Stay ahead of client expectations by incorporating emerging data enablers.

## How We Define Success

- Creating satisfaction and loyalty with our clients.
- Become more relevant throughout the client’s life cycle with the Bank.
- Uphold and help activate our brand promise to unlock clients full potential with capital & counsel.
- Ignite growth and compete in new markets and segments.



# Fair and Responsible Banking

First Horizon strives to comply fully with Fair Lending and UDAAP (Unfair, Deceptive, or Abusive Acts or Practices) Laws and related regulations by maintaining a compliance program to address the various requirements of Fair Lending and UDAAP Laws.

Fair Lending and UDAAP are essential and integral parts of all of First Horizon's policies and procedures, marketing efforts and relationships with third parties involved in banking processes and compliance is required by any of its officers, associates or representatives in serving our clients and potential clients.

Fair Lending laws were enacted to ensure that credit is made available without discrimination on any prohibited basis or on terms that have been ruled unfair, predatory, abusive or deceptive by the appropriate government regulatory bodies. UDAAP is an umbrella of rules prohibiting financial institutions from engaging in any unfair, deceptive or abusive acts or practices in every context. Through Equal Treatment, UDAAP and basic Fair Lending concepts, it is our commitment to comply with the letter and spirit of all regulatory requirements, to be clear and transparent in all communications with our clients and to treat them fairly in all circumstances.

First Horizon is committed to a position of fairness. Our Board and management team believe that this commitment is a good and sound business practice that allows us to serve a wide range of clients and communities, which is essential not only to the economic vitality of our communities, but the long-term vitality of the company.

In order to fulfill our commitment to Fair and Responsible Banking (both Fair Lending and Equal Treatment/UDAAP), we encourage associates to use their best personal and professional efforts and resources to continue to make available meaningful products and services to all of our clients and communities on a fair and equitable basis.

## Key Corporate Governance Documents

- Our **Code of Business Conduct and Ethics**, communicates that the company is firmly committed to non-discrimination and equal opportunity for associates, clients and suppliers. The code states that everyone will be treated without discrimination or harassment based on race, color, religion, sex, sexual orientation, gender identity, pregnancy, national origin, age, veteran status, disability, genetic information or any other legally protected characteristics under federal, state or local law.
- Our public **Human Rights Statement** lays out our commitment to do business in a manner that is consistent with the fundamental human rights principles described in the United Nations Universal Declaration of Human Rights, including the rights to freedom of thought, conscience and religion and freedom of opinion and expression.
- Our **Code of Business Conduct for Suppliers** sets forth our expectation that our suppliers respect human rights within their workplace environment and in their business dealings.

# Client Feedback and Response Process

First Horizon implemented a client comments program that meets regulatory requirements and uses client feedback to ensure we are easy to do business with and providing exceptional service to every client. We empower our associates to address client concerns on a fair and equitable basis.

**After clients contact the Bank, their feedback is assessed and complaints or concerns are addressed by one of the following business units:**

## Client Services

Most general client service issues received through the banking centers, client servicing teams and online are addressed by those first points of contact. The outcome must be reported to Customer Solutions personnel stating a full description of the issue, acknowledging the client issue was resolved, the name of the associate resolving the issue, the date the issue was received and the date the issue was resolved.

## Customer Solutions

Client requests, issues and complaints that are unable to be resolved at the first point of contact or that require more research or managerial decisioning are directed to Customer Solutions, the central reporting unit responsible for managing client feedback. Customer Solutions reviews, records and researches each incident and assigns a response due date to determine, perform and document the proper course of action. Customer Solutions performs the root cause analysis for complaints received to determine and remedy underlying causes.

# Client Information Protection

In an increasingly digitalized world, data protection and cybersecurity are top priorities. Cybersecurity is a key operational risk within the enterprise-wide risk management function. As such, a well-defined information security program was established to include documented policies, standards and operating procedures. As we continue to invest in cybersecurity talent, systems and practices.

# Cybersecurity

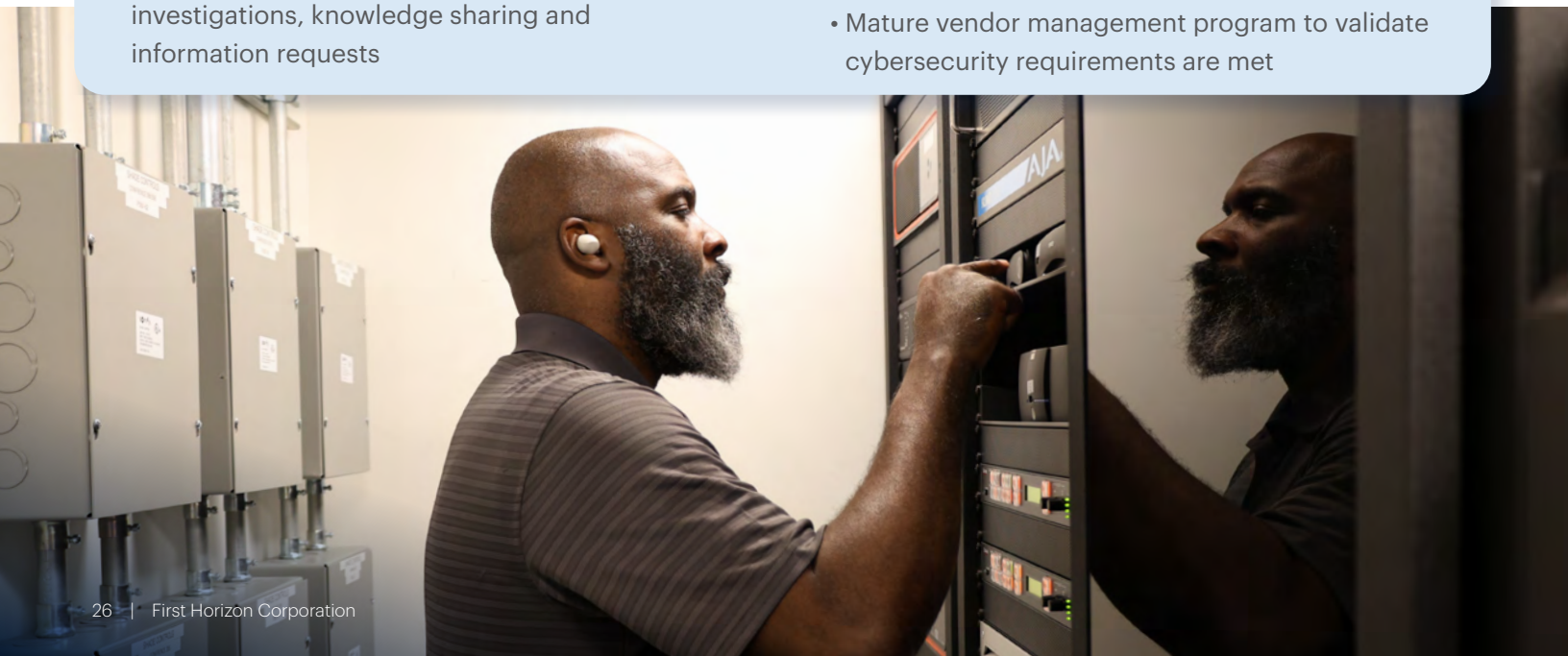
First Horizon remains committed to safeguarding clients' personal and financial data. Our business practices, processes and controls, designed for the protection and privacy of client data, are subject to numerous federal regulations, including the Gramm-Leach-Bliley Act.

The Bank's Information Security Program is governed by a Three Lines of Defense model, which includes oversight by Enterprise Risk Management and continuous control validation by Internal Audit. Additionally, select business segments are subject to annual independent third-party audit assessments for compliance with Sarbanes-Oxley, Payment Card Industry Data Security Standard (PCI-DSS), Swift CSP and System and Organization Controls (SOC) audits annually.

Investments in new technologies and cybersecurity professionals strengthen our defenses, mitigate cybersecurity threats and adhere to regulatory requirements. We dedicate substantial resources to cybersecurity to protect the confidentiality, integrity and availability of systems and data. Our associates and contractors receive fraud prevention and information security training annually, while dedicated personnel actively monitor First Horizon systems and networks.

## Our cybersecurity strategy includes:

- Robust governance and oversight to enforce adherence to cybersecurity policies and standards
- Top-down focus on cybersecurity from our Board of Directors, executive management and senior leadership
- Working with federal regulators, law enforcement and threat intelligence organizations to enhance threat awareness and review and improve systems controls and practices. When necessary, First Horizon works with these organizations for investigations, knowledge sharing and information requests
- Implementation of cybersecurity through highly skilled personnel, leveraging proven technologies to identify and mitigate threats
- Deployment of multi-layered defenses to identify, protect, detect, respond and recover
- Promotion of cybersecurity through associate awareness and job-specific training
- Communication of data protection guidance to clients
- Mature vendor management program to validate cybersecurity requirements are met





## Policies/Standards

We utilize established IT data security policies and standards which are applicable to directors, officers, associates and agents of the Company, as well as direct and indirect subsidiaries and vendors. Data security policies and standards are designed to ensure security and privacy of information, provide requirements for the collection, use and sharing of data, help protect against anticipated threats or hazards to the security or integrity of information and protect against unauthorized access to, or use of (including disposal of), information that could result in substantial harm or inconvenience to First Horizon or its clients.

Management and the Board Risk Committee oversee the Company's Information Security function and annually review the IT data security policies and standards.

## Information Security Risk Assessments

Our information security program and internal control structure are built upon the ISO 27001 framework which is aligned to the National Institute of Standards and Technology (NIST) Cybersecurity Framework. Internal and external risk and control assessments are performed regularly to assess maturity levels relative to regulatory guidance, controls framework and industry standard/best practices, including IT enterprise risk assessment, application risk assessments, CIS top 18 self-assessment, NIST CSF maturity assessment, network penetration testing, application penetration testing, red team exercises\*, static and dynamic code testing, cybersecurity tabletop exercises and FS-ISAC Cyber Attack Against Payment Systems (CAPS). We have a comprehensive and mature risk assessment process whereby regular assessments are conducted to identify and address IT security risks and threats at multiple levels throughout the organization.

## Fraud Awareness Seminar

Across our footprint, we host fraud awareness seminars throughout the year. These free community events aim to build greater community awareness and knowledge of diverse types of financial fraud and current active scams in the region.



\* An exercise, reflecting real-world conditions, that is conducted as a simulated adversarial attempt to compromise organizational missions and/or business processes to provide a comprehensive assessment of the security capability of the information system and organization.



## Multi-Layer Defense

Our risk-based information security program includes multi-layered controls of network intrusion detection and prevention, malware protection, threat monitoring, backup and recovery capabilities and least privileged access rights limiting users to minimum permissions for their job roles.

## Threat Management and Incident Response

Our Threat Management Team utilizes a management program that regularly assesses threats and vulnerabilities to systems to maintain an appropriate control environment and effectively mitigate risk. This layered defense program includes network intrusion detection and prevention, malware protection, advanced persistent threat monitoring and data protection. The Company utilizes anti-bot services to adapt to the ever-changing landscape of bot attack trends and methods to detect and mitigate internet-based traffic from malicious bots. Additionally, regular tests are performed on detection and response capabilities through incident response exercises, regular internal and external penetration tests, vulnerability scans and risk assessments. The Threat Team also has established incident response plans which define organizational structure, processes and procedures to properly identify and handle incidents that may affect the safety and security of First Horizon IT resources.

## Business Continuity Plan (BCP)

The BCP defines required actions, procedures, processes, personnel, facilities and system resources necessary to ensure the safety and resiliency of associates, clients and corporate assets. The goal of the BCP is to plan for critical business functions to resume operations within 24 hours following a business interruption with minimal data loss. Our Disaster Recovery Plan and backup procedures include control requirements that enable appropriate prevention, protection, detection and reaction to conditions that could adversely affect the confidentiality, integrity and availability of our information resources. This plan is tested annually to confirm critical computer and network resources are made available and promptly recovered following unanticipated interruptions. Additional Business Continuity Plan details related to natural disasters and other risks are found in the Environmental section of this report.

## Vendor Management

Our Third-party Risk Management Program provides a systematic approach to managing risk and assessing adequate due diligence and oversight of third-party relationships to comply with regulatory requirements. The program increases focus on those relationships that could have a significant impact on client confidential information, affect bank operations or pose material cybersecurity or compliance risks. A risk-based methodology is leveraged to perform due diligence when a new vendor service is onboarded and to reassess existing vendors. Regular monitoring has been established for critical vendor services.

# Cyber Talent and Training

First Horizon associates are required to take annual information security training. In 2023, our associates completed over 7,100 hours of training in a variety of cyber and privacy-related courses. Associates participate in phishing simulations based on real world events. Specialized security awareness training for developers and users with privileged access is required.

## Training and awareness for cybersecurity includes:

- Information Security Training (onboarding and annual thereafter)
- Gramm-Leach-Bliley Act (GLBA) and Red Flags Training (onboarding and annual thereafter)
- PCI-DSS Training (annual)
- Developer Secure Coding Training (annual)
- Privileged Access Training (when privilege is granted and annual thereafter)
- Phishing Simulations (bimonthly)
- Cybersecurity Working Group (quarterly cybersecurity awareness for Executive Management)
- Cybersecurity Pulse report (biweekly)
- Cybersecurity Companywide Awareness Articles (monthly)
- Cybersecurity Awareness Month Articles (weekly in October)
- Cybersecurity Threat Bulletins (occurrence - emerging risks)



**Mohan Sankararaman**, Chief Information Officer



# Here *for* Our Associates



Our people are our greatest differentiator. We have a tireless team who goes well above and far beyond to support each other, serve our clients and communities and deliver for shareholders. Our Firstpower culture sets the tone for the way our associates interact within the organization.

We encourage personal and professional career growth and are intentional about providing resources and opportunities that support associate success. The unique perspectives and ideas of each associate enable us to continue to transform the way we do business.

By understanding and prioritizing our associates' needs and fostering a culture of collaboration, equality and cohesion, we create a workplace in which associates are empowered to reach their full potential.

# Investing in our Associates

Investing in our associates by providing competitive compensation, benefits and rewards and offering development and wellbeing programs drives the long-term success of our organization. We consistently use benchmarking data to analyze compensation, accounting for factors like role, experience and geography. This process helps to enable internal equity and external competitiveness which supports our vision of being an employer of choice and attracting and retaining top talent. We are focused on the wellbeing of associates and their families, promote a healthy work-life balance and provide opportunities for professional growth.

## Benefits and Wellbeing

Our Total Rewards program is built on the foundation of providing associates and their families robust benefit options as well as tools and resources to support total wellbeing. This empowers our associates to select benefits that support their financial, social, emotional, physical and nutritional health. The Company provides several benefits at no cost to associates and covers a sizable portion of the health plan premiums through direct subsidy as well as additional funds provided through our Flexible Dollar program. We deliver a personalized Total Rewards Statement annually providing a view of compensation as well as company and associate paid benefits.



### Family

- Adoption reimbursement up to \$15,000 per adoption and up to \$30,000 total
- Company-provided group life insurance.
- Optional life insurance for associate, children and spouses
- Accidental death and dismemberment, individual disability, whole life, accident, critical illness and hospital indemnity insurance
- Family leave, up to 12 weeks
- Paid vacation, up to 4 weeks, paid holidays
- Sick/personal pay
- Vacation donation program
- Parental leave, Military leave/ Military Caregiver leave
- Child/Dependent Care resources
- Dependent scholarships
- Associate relief program



### Health

- Health, dental and vision plans
- Pharmacy benefit
- Wellbeing program for associates and spouses to earn additional incentives for completing wellbeing activities
- Healthcare navigation services
- Lifestyle coaching
- Chronic disease management and support
- EAP services
- Telemedicine virtual health care services
- Mental health and resilience resources



### Financial

- Competitive pay, \$20 per hour minimum wage
- First Horizon 401(k) savings plan, 100% match up to 6%
- Health Savings Account with up to \$1,200 in employer contributions
- Flexible Spending Accounts
- Short and long-term disability
- Flexible Dollar program offering up to \$5,600 per year
- Free checking and financial services discounts
- Education assistance



## By the Numbers

**90%** of eligible associates participated in First Horizon 401(k) savings plan in 2023

**332** participants in mentoring program during 2023 with an average feedback score of **3.9 out of 4.0**

**9.27 years\*** average associate tenure

**76%** of associates responded to the 2023 Associate Value Survey with an **83%** overall favorability rating

\*As of 12/31/23



## WellnessFirst

Our corporate wellbeing program is designed to promote the importance of leading a healthy lifestyle, establishing medical care and participating in health education and awareness programs. The program focuses on four key components– financial, social, emotional and physical/nutritional health. WellnessFirst is supported by the Company’s Wellbeing Council, charged with creating and delivering programs and education that address the financial, social, emotional and physical and nutritional needs of our associates and their families. In addition to the Council, over 300 associates serve as Wellbeing Champions, delivering messages and programming across the Company’s diverse footprint. Associates and their spouses can earn additional incentives for completing wellbeing activities. Health plan participants can earn up to \$1,200 in company contributions to their health savings account by practicing healthy lifestyles and managing their individual wellbeing.

## Employee Assistance Program (EAP)

We are dedicated to helping our associates embrace both work and personal responsibilities. We offer associates and their family members enhanced work/life benefits through ComPsych – a full-service support network that offers life counseling and access to resources for child and elder care, education, government assistance, relocation, estate and will planning, financial planning, personal convenience and more. ComPsych’s confidential services are provided at no cost to our associates.

## Quantum Health

In 2023, First Horizon engaged Quantum Health, a healthcare navigation partner dedicated to helping our associates and their families walk through all their healthcare needs. Quantum Health is a first point of contact for all things related to associate health plan benefits and coverage. A dedicated group of care coordinators assist First Horizon families in all aspects of health care from ordering a replacement ID card, locating a center of excellence for a new or existing condition, managing chronic conditions and helping with claims and billing questions. All associates on the health plan are automatically enrolled at no additional cost to access the services Quantum Health provides.



# Talent Center of Excellence (TCoE)

The multi-award winning TCoE consists of expertise and resources that provide powerful advisory experiences to increase organizational performance and value. Through the center’s advisory services, in tight partnership with line of business leaders, First Horizon nurtures a culture of excellence where every associate can succeed.

## First Horizon Professional Development Academy

First Horizon’s Professional Development Academy provides resources to all associates to discover new skills and define those they currently have. By continuously building associates’ capabilities, the Academy nurtures a diversified and talented bench for our organization by empowering associates to own their careers.

The Center for Talent Development leverages the following resources to aid in associate development.

### Capability Academies

- Role-based curricula programs for Treasury Management, Lending and Private Client

### GetContol! Online University

- Award winning webinars and resources available to all associates, time management and Microsoft 365 learning

### LinkedIn Learning

- Online learning platform available to all associates
- Top skills accessed- Microsoft Excel, productivity improvement, career management, leadership and public speaking

### Percipio by Skillsoft

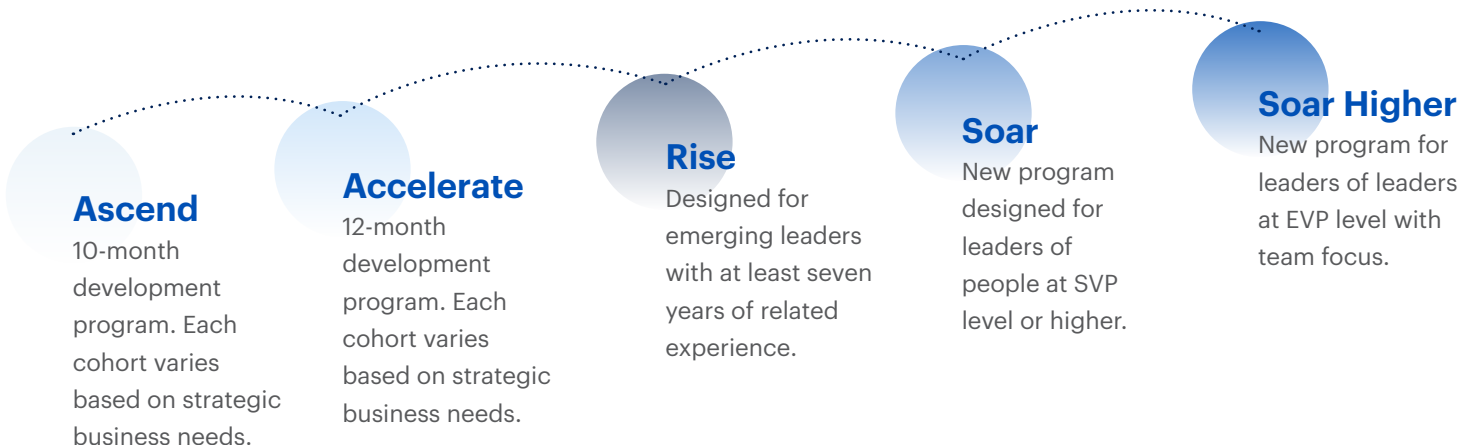
- Available to Technology associates, supplies personalized immersive learning and certification programs

### American Bankers Association

- Online content expanding access to industry recognized certificate programs

One critical component of our professional development framework is the focus on our high-potential development programs: **Ascend**, **Accelerate**, **Rise**, **Soar** and **Soar Higher**. The foundation of what we do to support the growth of our workforce is to create a top-notch talent ecosystem that continuously seeks to improve talent mobility.

## High Performing/High Potential Talent Programs



## Workshop Effectiveness

### Operating at Your Best

176 associates from across the footprint participated. Two additional sessions with 27 senior leaders provided a platform for discussing unique challenges faced by those in leadership roles.

4.8 out of 5 satisfaction rating



“*This was the first workshop I have ever attended at First Horizon, and it went so much better than I could have expected! The facilitators were the perfect fit for the topic and were so engaging. I liked that the workshop could be related and applied to work AND home life.*”

- Operating at Your Best Participant

### Thriving at Your Best

115 leaders successfully completed the inaugural workshop series.

4.8 out of 5 satisfaction rating



“*I loved this workshop. It was all about positivity and the techniques as well as strategies that they provided in the course I've already put into action. I highly recommend this course!*”

- Thriving at Your Best Participant

## Firstpower Culture

Our culture – what we call Firstpower - is one of our competitive advantages. It is centered around our people and their performance, promoting teamwork and collaboration to achieve results. We want everyone at First Horizon to Own the Moment and operate with shared purpose and values while adapting to the ever-changing business environment.

With a renewed focus on organizational culture, the Talent Center of Excellence recently rebranded our culture shaping workshops to Firstpower. The first workshop, Operating at Your Best, incorporates important concepts of change, alignment, accountability and teamwork. The second level, Thriving at Your Best, is designed to increase effectiveness by developing and perpetuating a healthy, high-performance culture.

## Mentoring

To support the development of associates who desire leadership, coaching and career progression, First Horizon encourages associates to join the corporate mentoring program. Associates are matched with mentors within the Company based on application similarities, primarily similarities in career paths and goals. Mentors serve as trusted coaches or guides, listening and educating to help outline possibilities for growth and development. Mentees typically sign-up with an interest in developing their skills and assuming responsibility for their own growth and development. The Company provides participants with developmental tools and resources. The average mentee feedback rating is 3.97 and the mentor feedback rating is 3.90 (out of 4). The program was recognized by the vendor as a top program and administrator in 2023.

Operating at Your Best workshop





## Performance Management

First Horizon's performance management process was developed to ensure our associates know what is expected, receive regular feedback and are recognized for their performance. To foster success, associates are encouraged to have goals that align with the Company's goals and strategy, is provided with frequent and actionable feedback on performance and development opportunities and is recognized for their contribution to the organization. Associates are required to conduct quarterly check-ins and yearly evaluations.

The process consists of five key steps:

- Goal setting
- Regular, informal feedback via Quarterly Check-Ins (QCIs)
- Formal feedback via Annual Performance Reviews
- Development planning
- Rewards and recognition

## Associate Retention and Turnover

We regularly track associate retention and turnover and offer various perquisites to help associates thrive, including flexible work arrangements. In 2023:

- 31% of job openings were filled with internal associates.
- Our average associate tenure was 9.27 years with an average turnover rate of 21%.

## Associate Training

For our associates to be successful we believe they should have access to the tools and opportunities to continue to develop their skills throughout every stage of their career. All First Horizon associates are required to complete a variety of training courses and have access to various non-required learning opportunities, including role specific courses, safety and security, systems and procedures, privacy, compliance, policies, professional development, leadership, products, services and cybersecurity.

In 2023, our associates completed 1772 courses resulting in over 100,500 hours of training and over 30 hours of training per associate.\*

\*Includes training across all platforms both internal and external.





## Associate Surveys

Our associates' feedback is important to creating a dynamic and competitive workplace. The TCoE partners with leadership to keep a pulse on associates' priorities and experiences. We conduct two associate surveys – an Associate Value Survey (AVS) and a Wellbeing Survey (Pulse) – each year.

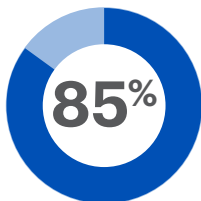
Harnessing the power of adaptability, our associates have not only embraced change but have turned adversity into opportunity, redefining our trajectory and cementing our reputation as a resilient force in the financial industry. While the 2023 survey results were excellent, we are continuously looking for opportunities for improvement. The need to address internal roadblocks and organizational obstacles remains a top priority for executive management including tools, infrastructure, training, learning opportunities, communication and transparency.

## Associate Value Survey (AVS)

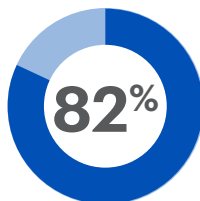
AVS focuses on five key engagement drivers: Capability, Environment, Alignment, Value and Opportunity. Associate feedback provides executive management with valuable insight into associate experiences and challenges across the company.

In 2023, over 5,300 associates actively participated in the annual survey. Following thorough analysis, three paramount themes emerged: Capability, Alignment and Workplace Reset. These themes serve as focal points, highlighting both the commendable aspects of First Horizon's performance and areas that warrant further enhancement.

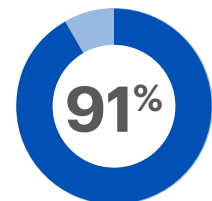
With data from the AVS, we learned that First Horizon's ability to leverage technology to perform through the pandemic strengthened our agility and demonstrated our resiliency. In 2023, our associates embraced the Workplace Reset initiative and continued to work hard at communicating across workspaces, buildings and cities to strengthen our culture. Future enhancements and integration of advanced communication tools aim to foster real-time interactions and efficient and effective teamwork.



**Capability** — Favorability suggests associates clearly understand their roles and feel equipped to perform them.



**Loyalty** — Associates can see themselves working for First Horizon two years from now.

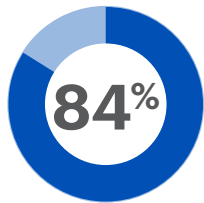


**Meaningful work** — Associates feel like the work they do is meaningful.

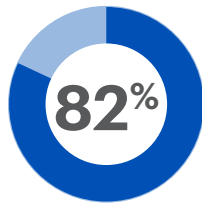
# Pulse Survey

With regular, consistent procurement of information, First Horizon can effectively and appropriately respond to the changing needs of the workforce. Our 2023 Associate Well Being Pulse Survey gauged associate feelings and perceptions regarding varying aspects of work that are known to be important to a healthy work-life balance.

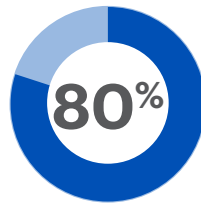
With a focus on key challenges identified in the previous year's AVS, the 2023 Pulse Survey focused on associate performance, wellbeing, trust and connection. Two iterations of the survey, capturing 50% of the associate population in each, were deployed in April and July 2023.



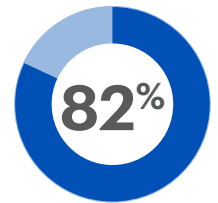
**Performance —** feeling of satisfaction/dissatisfaction resulting from the presence of or lack of meaningful work, success and accomplishment.



**Wellbeing —** associate perception of feeling psychologically and physically safe.



**Trust & Connection —** associate perception of direct leader and organizational support and its effect on both job performance and interactions with colleagues and clients.



**Overall Favorability Rating**

# Workplace Safety and Security

We are committed to the safety and security of our clients and associates. Our Physical Security team has oversight of contract security guard deployment and electronic security integration and maintains a 24/7 Enterprise Security Console that serves as a centralized security point of contact. The Physical Security team also partners with peer financial institutions and security industry organizations to understand the evolving security landscape.

### First Horizon's physical security program includes:

- Facilitation and evaluation of risk assessments
- Deployment of physical security countermeasures
- Response to security incidents
- Review of physical security standards
- Development of security training

# Talent Acquisition

Our Talent Acquisition Department is dedicated to implementing strategic talent acquisition practices. The team partners with Associate Resource Group members and line of business leaders and associates to actively engage with colleges and universities throughout our footprint. This collaborative effort showcases our inclusive and empowering culture, attracts top-tier talent and forges strategic partnerships aligned with data-driven insights into labor markets and statistics. We aim to continuously improve our talent acquisition practices and deliver exceptional outcomes for both candidates and the organization.

# Creating a Diverse Workforce

At First Horizon, we remain committed to creating a more equitable society, and that starts with our associates, our clients and the communities we serve. We do this by providing capital and counsel and committing to excellence in everything we do. Creating a diverse workforce and inclusive work environment is a fundamental aspect of our Firstpower culture. This commitment starts at the top of the organization with Board of Directors oversight and executive leadership support and is embedded throughout our organization and business priorities.

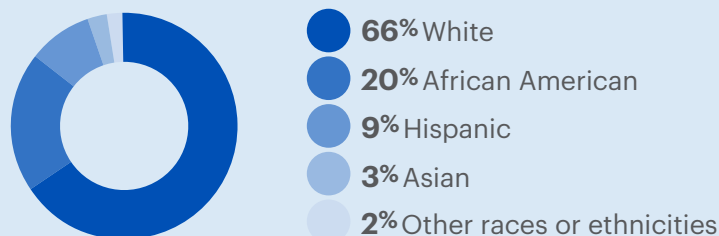
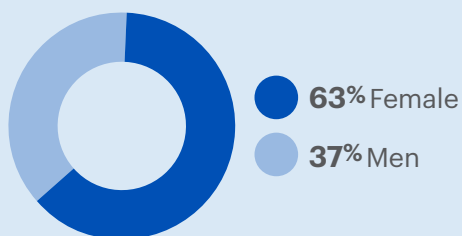
We strive not only to attract a diverse team, but also to create an environment in which different backgrounds, opinions and perspectives are valued. We focus on:

- Expanding our recruiting outreach to diverse talent pools
- Strengthening leadership capabilities and accountability
- Fostering inclusion and equality through fairness and transparency
- Better serving diverse markets and clients
- Investing in the wellbeing of communities

## Workforce Demographics:

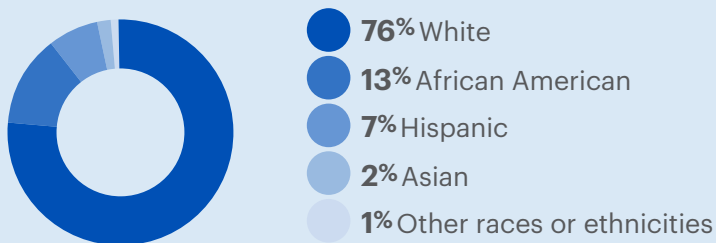
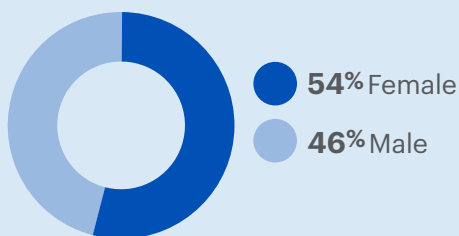
### 7,378 Associates

7,249 full time equivalent and 129 part time equivalent associates.



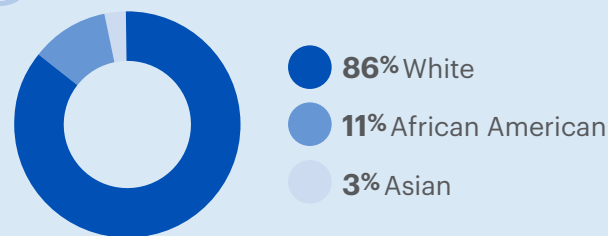
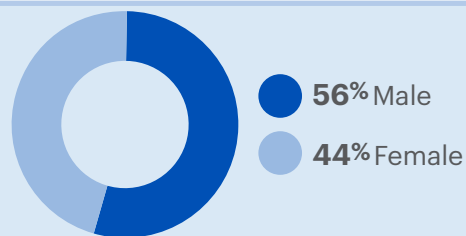
\*Not including contract labor for certain services.

### 1,200 Corporate Managers



### 36 members of CEO's Operating Committee

Composed of senior leaders from across the organization



As of December 31, 2023. Percentages may not equal 100% due to rounding.



## Pillars and Commitments

We made measurable progress in 2023 with the addition of diverse candidates in leadership roles, the launch of new Associate Resource Groups and the release of a new **Corporate Diversity Statement**. In 2023, First Horizon developed ten commitments that outline specific objectives and a roadmap to advance diversity and fairness within our marketplace, workplace, community and workforce. With every new challenge, program or idea, we strive to take into account the following question: How does this drive progress for our ten commitments?



### Marketplace

First Horizon is committed to meeting the diverse needs of its clients and community partners. We maintain this commitment by expanding access to capital, fostering inclusive branding, marketing and procurement.



### Workplace

First Horizon works across teams to identify accelerators of promotion and retention of all qualified candidates and to evaluate Human Resources policies and procedures. Accelerators include formal and informal mentoring as well as encouraging associates to explore lateral moves within the company to broaden professional experience. The company remains committed to creating an inclusive associate experience.



### Community

First Horizon is committed to serving clients, businesses and communities in the markets where we operate. We strive to give back to and invest in the communities we serve.



### Workforce

First Horizon is committed to increasing, developing and promoting diverse talent, broadening our outreach and engagement with diverse professionals, encouraging diverse candidate slates and interview panels and expanding pathways to leadership.

## Commitments

### 1. Expand Access to Capital

We will advance products, programs and services that demonstrably expand access to capital for clients from historically disadvantaged communities.

### 2. Foster Inclusive Branding and Marketing Spending

We will partner with marketing and other communications stakeholders to build a more inclusive brand and diversify our marketing spend.

### 3. Foster Inclusive Procurement

We will encourage contract bids by Minority-Owned Businesses, Women-Owned Businesses and Other Disadvantaged Business Enterprises (MWDDBE).

### 4. Apply DEI Framework to Community Giving Investments

We will apply a comprehensive DEI lens to our Company's community investment strategies in the communities we serve.

### 5. Broaden Recruitment Outreach and Engagement with Professionals of Color

We will enhance and expand our recruitment funnel and broaden our outreach and engagement of professionals of color at all levels of the company.

### 6. Encourage Diverse Candidate Slates and Interview Panels

We will encourage diverse interview panels and candidate slates for all mid-tier management positions in the company.

### 7. Expand Pathways to Leadership

We will develop programming and strategic approaches to identify and address factors that might impact advancement of women and professionals of color to mid-level management roles.

### 8. Create a More Equitable Associate Experience

We will build and enhance associate training that strives to address and reduce disparities along lines of race, gender and disability, as identified in our Associate Value and Wellbeing Surveys.

### 9. Identify Accelerators of Promotion and Retention

We will identify factors that accelerate promotion and retention of all our associates.

### 10. Evaluate Human Resources Policies and Procedures

We will evaluate human resources policies to ensure fairness and inclusivity across our organization.

## By the Numbers

**85%** increase in number of associates who are members of at least one ARG YoY (4Q22-4Q23)

**1,365** estimated number of associates who are a member of at least one ARG

**18.6%** of workforce registered as of 4Q23



DEI Council Meeting



Women's Summit

## DEI Council

Comprised of leaders and associates representing a wide range of business lines, organizational levels and backgrounds, the DEI Council formulated the Company's current strategic plan for emphasizing principles of equity and inclusion throughout our organization. First Horizon's DEI Council hosted its final meeting in November 2023, paving the way for a new council governance structure in 2024.

## Associate Resource Groups (ARGs)

ARGs are voluntary, associate-led groups dedicated to fostering a diverse, inclusive workplace. Our ARGs provide opportunities for associates to connect, support career development and create spaces of belonging where associates can bring their whole selves to the table. ARGs at First Horizon began in 1999 with the launch of the Women's Initiative of Memphis and have grown over the years to include ten groups and nine chapters.

### Black History Month

First Horizon's Black Inclusion Guild ARG celebrated Black History Month by leading a meaningful panel discussion open to all associates focusing on black resilience and allyship and providing educational materials on black history, notable African Americans, cultural information, reading lists, recipes, podcasts, playlists and community events.

### Women's History Month

First Horizon's Women's Initiative ARG celebrated Women's History Month by leading multiple panel discussions like Shattering the Glass Ceiling and Motherhood in the C-Suite. Women's Initiative also led various in market events, provided educational materials and access to community organizations to celebrate, educate and elevate women.

**For more information about diversity and inclusion please visit [our website](#).**

## 2023 Active ARGs



### Alliance and Allies

Supporting diversity, equity and inclusion for lesbian, gay, bisexual, transgender and queer (LGBTQ) associates as well as their families, friends and allies.



### Asia-Pacific WAVE

Sustaining spaces of networking, professional development and belonging for Asian-American and Pacific Islander associates.



### Black Inclusion Guild

Providing a support system for inclusion, outreach and development for African-American and Black associates and allies.



### Create + Inspire

Maintaining a space for creative thinkers and designers to network, collaborate, inspire and share their creativity.



### Driven Networking Association

Providing a collaborative and inclusive networking experience for First Horizon associates. Chapters: Chattanooga and enterprise-wide



### Eco Champions

Environmental advocates who are passionate about fostering awareness and engagement related to the environment and climate while working toward a more sustainable future.



### Hispanic Outreach and Latino Alliance

Championing diversity and inclusion at First Horizon by developing cultural competency and highlighting issues concerning Latinos in the workplace.



### Military Community

Providing guidance and support to associates who have served in the armed forces or are active duty, along with their families and advocates.



### Neurological Diversity Awareness

Providing resources to and championing associates with neurological diversities such as ADHD, Autism, anxiety, depression and other mental health concerns.



### Women's Initiative

Promotes the success of women within our Company and across our communities. Chapters: Chattanooga, Houston, Louisiana, South Florida, Community North Carolina, Knoxville, Memphis, North Carolina and South Carolina



# Here *for* Our Communities



Building strong communities is at the core of who we are. Our commitment to continuously caring for our communities – through all economic cycles – has always been part of our strategy and embedded in our core values. We continue to build on the commitment to invest resources to broaden access to banking services.

For over 160 years, we have strengthened our communities by collaborating with non-profits, community development leaders and partners to elevate and better the communities and people we serve. Every day at every First Horizon location, we strive to build stronger communities and positively contribute to society overall.

# Community Investment Strategy

First Horizon works closely with individuals, nonprofit and civic organizations to align resources - financial investments, donations, sponsorships, lending and service. We believe it is our responsibility and privilege to support the individuals, families and small businesses that make up our beloved communities in which we live and work. Our Community Investment Strategy, with a focus on CRA and diverse communities, commits to enhancing the long-term economic, social health and sustainability of our communities. Through strategic partnerships and investments, we help provide greater access to financial capital, education, housing, community redevelopment and revitalization, and health and human services to the communities within our footprint.

## Investing in Our Communities

The First Horizon Foundation was established in 1993. In 2020, we also established the Louisiana First Horizon Foundation. The foundations have invested approximately \$150 million in our communities.

In 2023, we announced a \$50 million commitment to our communities through the First Horizon Foundation. We deployed approximately \$18 million during the year through more than 1,600 nonprofit partners. Nearly 50 percent was dedicated to low- and moderate-income areas – all focused on living out our corporate responsibility pledge to be Here for Good for our stakeholders.

In addition to financial contributions, the Bank encourages its associates to share their time and talents with organizations that are working hard to improve our communities. As always, our associates gave generously of their time to support nonprofits and causes they care about, dedicating more than 27,000 hours to better the communities we call home.

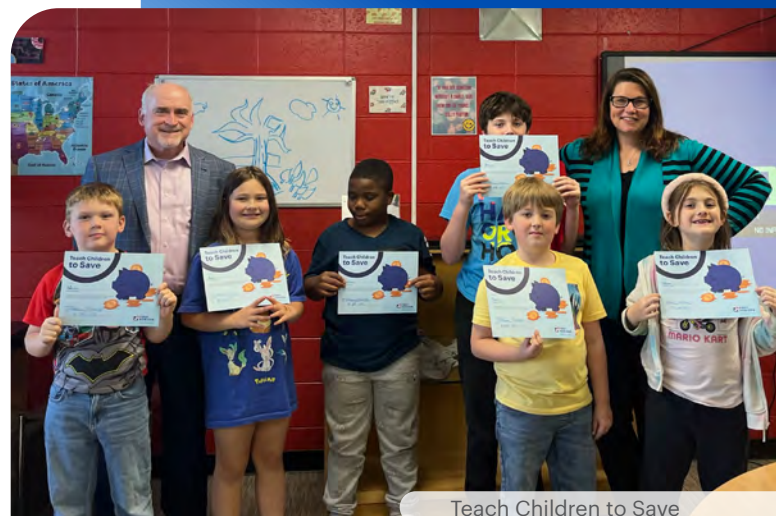
To recognize our associates for their service, we provide Leadership Grants to their respective nonprofit organizations. In 2023, we provided more than \$144,000 to over 188 organizations across our footprint. In 2023, we also recognized, for the first time, the associate who served the greatest number of CRA-qualified hours with the annual CRA Service Award.

### By the Numbers

**\$18 million** invested in our communities through First Horizon foundations, with **\$9 million** dedicated to LMI communities

**27,000+** hours of service donated by associates in 2023

**\$10.8 million** in bank charitable giving and sponsorships, with **\$3.2 million** dedicated to LMI communities



Teach Children to Save



# Community Reinvestment Act (CRA)

Providing better access to financial resources to low- and moderate-income individuals, businesses and communities is an integral part of our Here for Good efforts.

Through our CRA program, we:

- Expand access to housing, support economic development and opportunity and improve financial capability and stability
- Serve our clients with CRA mortgage products, loan assistance and financial literacy/homebuyer's education
- Participate in offering appropriate local and state bond and subsidy programs to our clients
- Host Affordable Housing Symposia in our largest markets
- Partner with key community stakeholders to collaborate on serving the needs of LMI communities in our footprint
- Recruit and train high-performing, diverse CRA mortgage lenders
- Provide ongoing CRA sales and product training to mortgage team
- Continue to review our internal CRA product offerings for potential enhancements

To guide our CRA strategy, we have a national CRA Advisory Board comprised of nonprofit and business leaders who provide feedback and invaluable insights into the most pressing needs of our communities. [See page 54](#) for full list of our National CRA Community Advisory Board.



Habitat for Humanity



Rebuilding Together



Affordable Housing Symposium



United Way



# CRA Pillars

Our CRA pillars, which are embedded in our communities' pillar focus areas, shape our strategy and enable us to maximize our impact.



**Expand Access to Housing for low- to-moderate income (LMI) individuals** by financing safe, affordable housing and home rehabilitation programs, including flexible and affordable mortgages, and supportive housing initiatives to reduce homelessness.



**Support Economic Development and Community Revitalization in LMI communities** by providing small business and commercial financing, technical assistance, job training and creation, and workforce development initiatives, as well as resources to support infrastructure improvements, disaster recovery and neighborhood revitalization initiatives.



**Improve Financial Capability and Stability in LMI communities** through banking products and services, volunteerism, financial support for critical community services and financial literacy education programs.

## By the Numbers

**\$9 million** in donations,  
**50%** of total foundation donations

**15,000+** service hours,  
**55%** of total volunteer hours

**\$354.8 million** in community  
development loans

**\$168.6 million** in community  
development investments

**\$649 million**  
new home mortgage loans to  
borrowers in LMI communities in the  
Bank's assessment areas, including  
home purchase, refinance and home  
improvement loans

**\$669 million**  
new loans to businesses with revenues  
of ≤\$1MM in LMI communities in the  
Bank's assessment areas

As of 12/31/2023

Urban League of Louisiana Gala



“ The work we do to better our communities starts with our CEO and executive team and is embraced throughout our organization. This concerted effort helps to best utilize our resources to make the greatest impact possible. ”

- Beth Trotter, CRA Officer

# CRA Products

## CRA Mortgage and Mortgage Grants

First Horizon offers a CRA mortgage product line that consists of five distinct mortgage products. Three of these mortgage products are exclusive to First Horizon.

### CRA Mortgage Product Line

<b>First Horizon Home Start Mortgage</b>	Portfolio Product - Exclusive to First Horizon
<b>CRA Home Ready</b>	Exclusive to First Horizon/Derivative of Fannie Mae
<b>Home Ready</b>	Fannie Mae
<b>CRA Home Possible</b>	Exclusive to First Horizon/Derivative of Freddie Mac
<b>Home Possible</b>	Freddie Mac

### CRA Down Payment Assistance Programs:

#### First Responder Grant

- Down Payment Assistance Grant
- First Responders, Medical/Health Care Workers and Educators are eligible
- Grant amounts from \$6,000 - \$10,000

#### Homebuyer Grant Program

- Down Payment Assistance Grant
- Grant amounts from \$4,000 - \$8,000
- Eligibility based on: Qualifying income or Homestead collateral's income census tract



## Affordable Housing Symposium

As an outreach effort to the communities we serve, First Horizon hosts free Affordable Housing Symposia in its major markets. The primary purpose of these events is to introduce local communities to our CRA products and services. In addition, we have expert presenters around economics and housing, particularly affordable housing, real estate development and other CRA-related matters. Attendance ranges from 75 – 100 and includes realtors, non-profit housing organizations and governmental housing agencies.

In 2023, we hosted six Affordable Housing Symposia in the following markets: Dallas, TX, Little Rock, AR, Memphis, TN, Charlotte, NC, Miami, FL and New Orleans, LA.

# Operation HOPE

In partnership with Operation HOPE, First Horizon offers free credit and money management one-on-one counseling and workshops that cover topics such as increasing credit scores, creating a budget, improving financial health and starting small businesses. The workshops help strengthen the financial foundation of our communities and elevate individuals and families through better access to financial education, products and services.

Our HOPE Inside partnership includes 30 coaches working in banking centers across our footprint. Their primary objective is to improve the financial health of individuals, entrepreneurs and families. In 2023, we added an Operation HOPE coach in the Lafayette, Louisiana, market for a total of two full time coaches in Louisiana and streamlined the hub and spoke model throughout the footprint to expand the capabilities of using technology to reach more clients.

## By the Numbers

**30** locations

**20** point credit average improvement

**~44,000** people served by financial education services

**112** small businesses created with **40** applying for a loan

Nearly **7,000** clients served

**~4,000** referrals for bank products

**820** group classes with **~5,000** attendees

**216** business development program workshops

\*As of 12/31/2023





## Our Commitment to 1 Million Black Businesses

First Horizon continues to make progress on our commitment to provide 500 service hours to the 1 Million Black Business (1MBB) program. As of December 2023, we have contributed 125 hours to the program. All interested associates are invited to participate as we strive to exceed our 500 service hours commitment.

To date, 74 associates have been nominated by their leaders or volunteered to be 1MBB Champions. These associates have been providing Black business owners and prospective entrepreneurs with information like access to credit and how to approach a bank for funding.



*Operation HOPE found me. I was driving Uber in Sarasota, Florida one Tuesday around 11 am. A lovely gentleman on his way to a funeral needed a ride to the airport in Tampa. I had my artisanal jewelry and mindful gifts business, JanieMae's Cosmic Garden advertised on my back seat. He asked me how business was going. I told him it could be better. He gave me information that I persistently followed up with until I was assigned a mentor.*



*I was assigned to Mr. Antonio Lynch. Antonio provided a much-needed shift in my business mind and the way I was navigating life. The class has opened my mind immensely. I was and am doing a lot of things right. The acknowledgment of that by my educator and peers gave me a much-needed ego boost. Solo entrepreneurship had proven to be a little more than a challenge and admittedly left me a little broken. Mr. Lynch proved himself a good coach and encouraged me to pause, reassess, get my head back in the game and attack.*

*Now, I do business more intentionally than I ever have. There is a noticeable increase in my income and client engagement. This increase in business is gladly directed back to my tutelage. My classmates were also very insightful, encouraging and enlightening. I'm excited to be featured in my own success story. I tell friends and other entrepreneurs I meet along the way about Operation HOPE's life-changing program. Black, white, and all the notable shades in between, need help when it comes to scaling a business. I've benefited from it and I hope others find it as invaluable as I have. I thank you for your help.*

*- Augustus Brown Jr., Owner, Founder and Artist of JanieMae's Cosmic Garden and Operation HOPE client*

# Community Development

To advance the underserved and under supported in our communities, the First Horizon Community Investment Group (FHCIG) works in coordination with our CRA team to evaluate community development tax credit equity investment opportunities. FHCIG makes community development investments that qualify for Low-Income Housing Tax Credits (LIHTCs), New Markets Tax Credits (NMTCs) and Historic Tax Credits (HTCs); supports markets and partners with commercial lenders to create both community development lending and tax credit equity investment opportunities for First Horizon. In 2023, FHCIG advanced our communities by closing over \$172 million in qualified Public Welfare Investments.



## Princeton Crossings

In May 2023, FHCIG made a \$21 million LIHTC equity investment in Princeton Crossings, a 150-unit, eight-story, Low-Income Housing Tax Credit multifamily high-rise located in Miami, FL. The developer is required to set-aside or designate a certain number of units for qualifying tenants earning below Area Median Income tiers to qualify for better-than-market financing. Annually, HUD provides the Florida Housing Finance Corporation maximum allowable rents. Starting rental rates will range from \$464/month to \$1,575/month with average rent for all units of \$711/month.



## The Summit at Sawyer

In March 2023, FHCIG made a \$13 million LIHTC equity investment, and First Horizon provided a \$7.1 million construction loan to The Summit at Sawyer. The project, located in Raleigh, NC, is a 154-unit multi-family development with units in six three-story buildings on 5.17 acres of land. The development will include a community room with a kitchenette, computer center, laundry room and a management office. Outdoor amenities include a playground, covered picnic area with tables and grills and outdoor sitting areas with benches.



## Yanceyville Place

In May 2023, FHCIG made a \$9.5 million LIHTC equity investment in a new community consisting of 84 apartment homes serving families in Greensboro, NC. Yanceyville Place will consist of seven residential units on an 11.65-acre site. As proposed, 21 of the residential units will serve residents earning less than 30% of the Area Median Income (AMI) for Guilford County, 13 will serve residents earning less than 50% of the AMI, 27 will serve residents earning less than 60% of the AMI, while the entire property will serve residents earning less than 80% of the AMI. The Community Center includes a leasing office, computer center, community room/multi-purpose room, laundry facility, on-site property management and maintenance.



# Partnering for Progress Spotlights

Our multipronged partnerships help match our resources with the greatest needs in each of the communities we serve. While it is impossible to recognize every single one, we are proud to showcase a few that make meaningful impacts across our footprint.

## United Way

For over three decades, First Horizon has supported United Way in many of the markets we serve. Our long-standing support helps address critical community needs by partnering with United Way agencies to provide food, shelter and other essential services. In 2023, our corporate support totaled over \$2.2 million, and our associates dedicated over 1,172 volunteer hours in support of United Way across our footprint.

## Urban League

First Horizon has been a supporter of the Urban League of Louisiana for over 10 years in the form of sponsorships and volunteerism, including board and committee involvement. In September 2023, First Horizon sponsored the Urban League of Louisiana's Empowerment and Policy Conference with 100 speakers and panelists and 21 breakout panels. We were also the host of the inaugural Youth Summit and sponsors of Scale Up, Women in Construction Convening and Women's Empowerment Week, including the Women in Business Challenge.

## Girl Scouts

Girl Scouts brings girls' dreams to life and helps build a better world. Girl Scouts of all backgrounds and abilities can be unapologetically themselves as they discover their strengths and rise to meet new challenges while finding their voices and making changes that affect the issues most important to them.

First Horizon has supported Girl Scouts for over 12 years throughout certain markets.



Coalition for Kids



Habitat for Humanity



United Way



Urban League of Louisiana



## Boys and Girls Club

Boys and Girls Club works to assure success for every young person they work with by offering caring mentors and innovative programs designed to empower youth to excel in school and lead healthy, productive lives. In 2023, First Horizon contributed over \$140,000 and over 390 volunteer hours to various local chapters.

## YMCA

The YMCA is committed to strengthening individuals and communities across the country by connecting people with opportunities to improve their health, support young people, make new friends and contribute to a stronger, more cohesive community for all. First Horizon has supported the YMCA through philanthropic support for over 20 years across various markets.

## Ballad Health: Niswonger Children's Hospital

In 2023, the First Horizon Foundation donated \$500,000 to Ballad Health: Niswonger Children's Hospital in support of Ballad Health Foundation's Hope Rising campaign, a \$30 million fundraising initiative to expand and enhance facilities and services for children and families. Through the Hope Rising campaign, Ballad Health will add an additional two floors to the hospital, making space for the newest neonatal intensive care unit in Tennessee and Virginia and creating a physical space for the J.D. Niswonger Family Perinatal and Pediatric Institute.

## Junior Achievement

Junior Achievement offers lessons in financial literacy, work and career readiness and entrepreneurship that align with national and state educational standards. In 2023, First Horizon contributed over \$150,000 and our volunteers contributed over 2,300 service hours as valued financial literacy education partners bringing Junior Achievement programs to life in the markets we serve.

In June 2023, Junior Achievement honored First Horizon with the U.S. President's Volunteer Service Award in appreciation of our strong partnership and impactful support.



Nashville Diaper Connection



United Way



Junior Achievement





NOMMA Financial Literacy Day

### NOMMA Military

New Orleans Military and Maritime Academy (NOMMA) creates an educational landscape in which students receive a quality education that leads to greater opportunity and access. The majority of NOMMA students are economically disadvantaged. NOMMA's model is unique in that it combines quality education with military principles to give students the advantages of discipline and skill development. First Horizon has been a supporter of NOMMA since 2021 and has provided over 200 volunteer hours to teach financial literacy to cadet seniors.

### American Heart Association

The American Heart Association is dedicated to advancing cardiovascular education and health for all, including identifying and removing barriers to health care access and quality, with a focus on the social determinants of health. First Horizon has contributed over \$900,000 to the American Heart Association across various markets since the Foundation's inception.

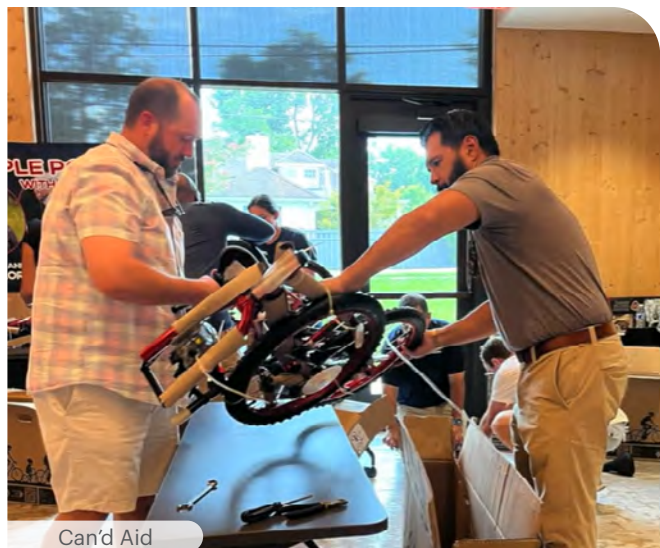
In March 2023, First Horizon was awarded national Gold level recognition for our commitments to employee health and wellbeing as measured in the American Heart Association's 2022 Workforce Well-being Scorecard™.



American Heart Association



Second Harvest Food Bank



Can'd Aid



## Board of Directors

### **Charles Burkett**

Chairman  
First Horizon Foundation

### **Beth Ardoin**

Chief Communications Officer  
First Horizon Corporation

### **Hope Dmuchowski**

Chief Financial Officer  
First Horizon Corporation

### **Tanya Hart**

Chief Human Resources Officer  
First Horizon Corporation

### **Adella Heard**

Assistant General Counsel  
First Horizon Corporation

### **Dave Miller**

Chief Operating Officer  
Regional Bank  
First Horizon Bank

### **Charles Tuggle**

General Counsel  
First Horizon Corporation



## Board of Directors

### **Charles Burkett**

Chairman  
First Horizon Foundation

### **Beth Ardoin**

Chief Communications Officer  
First Horizon Corporation

### **John Casbon**

Retired

### **John Everett**

Market President  
Baton Rouge, Louisiana  
First Horizon Bank

### **William Fenstermaker**

Chairman and Chief Executive,  
C.H. Fenstermaker and Associates, LLC

### **Karl Hoefler**

Regional President  
Louisiana & Texas  
First Horizon Bank

### **Judy Reese Morse**

President and Chief Executive Officer  
Urban League of Louisiana

### **Stewart Shea**

Retired



## National CRA Community Advisory Board

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**Joe Crocker**

Retired  
Kate B. Reynolds Charitable Trust

**Bob Dickerson**

Executive Director  
Birmingham Business Resource Center  
Board Chairman  
National Community Reinvestment Coalition

**Dr. Norman C. Francis**

President Emeritus  
Xavier University of Louisiana

**Oliver L. Gross**

President/CEO  
New Urban Development

**Eugene A. Ludwig**

Chairman/Founder  
Spring Harbor Financial Group

**Alden J. McDonald, Jr.**

President/CEO  
Liberty Bank & Trust Company

**Marc H. Morial**

President/CEO  
National Urban League

**John O'Callaghan**

President/CEO  
Atlanta Neighborhood Development Partnership

**Lauren Taylor**

Vice President of Programs and Learning  
Hyde Family Foundation

**Melinda Taylor**

Executive Director  
Lafayette Habitat for Humanity

**Jesse Van Tol**

CEO  
National Community Reinvestment Coalition

**Luke Yancy**

President, Chief Executive Officer  
Yancy Financial Group, Inc.





# Here *for* Our Environment

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We are proud of the tangible progress our team has made towards addressing climate change and our own environmental impacts. It has been a dynamic journey marked by meaningful initiatives, sustainable practices and strategic partnerships. We know progress is inherently non-linear and remain committed to catalyzing innovative solutions, particularly those using nature-based, science-backed approaches. While effective climate action continues to face persistent challenges with data availability, technology and policy, we also see significant business opportunities and believe that our forward-thinking initiatives are steering us in the right direction as we do our part to advance a sustainable future for our stakeholders.





Tennessee River Gorge, TN

## By the Numbers

**39%** reduction in Scope 1 & 2 emissions from 2019 baseline

**\$1.3+ billion** provided in renewable energy project financing since 2017

**140+** building upgrades in 2023

**12%** increase in donation from 2022 for Earth Day eStatement campaign

**98** new members to the Eco Champions ARG

# Overview and Context

Our environmental pillar is an important focus. We know ecosystem services are crucial for human wellbeing and their sustainable management is essential for maintaining the health and resilience of ecosystems.

As we navigate the evolving landscape of climate action, we have laid the groundwork by quantifying our emissions, adopting sustainable practices, aligning with the Task Force on Climate-Related Financial Disclosures (TCFD) and catalyzing nature-based solutions given our interconnected footprint in the 'blue' economy.

Our environmental strategy is anchored in scientific-based partnerships that drive meaningful, action-oriented solutions. Leveraging our status as a trusted financial institution, we seek to catalyze collaboration for impactful change. Throughout this report, we highlight our commitment with examples of science-driven solutions. To that end, biodiversity and the preservation and enhancement of ecosystem services remain integral components of our overarching environmental strategy, underscoring our dedication to a sustainable future.

## Recent Environmental Accomplishments

- Responded to Carbon Disclosure Project (CDP) questionnaire
- Performed Operational Carbon Reduction Analysis (Scope 1 & 2)
- Joined RMA Climate Risk Consortium
- Further discussion regarding Sustainable Finance opportunities
- Executed eStatement client campaign with donation to the Ocean and Climate Innovation Accelerator (OCIA), exceeding 2022 campaign by 12%
- Supported environmental, community and nature-based projects
- Hosted monthly associate engagement events
- Invested in efficiency upgrades in buildings and banking centers



# Environmental Framework

When we began our journey in 2021, we laid out a framework by which we would guide our practices and focus our resources. While we still have work to do, below is a summary of our progress over the past three years.

Progress	
<b>Governance and oversight of environmental matters</b>	<ul style="list-style-type: none"> <li>• Worked with risk team on risk appetite statement</li> <li>• Assigned to NCG Committee</li> <li>• Adding ESG related risks to committee</li> <li>• Continued discussions with advisors</li> <li>• Conducted monthly environmental task force meetings</li> <li>• Held monthly internal disclosure discussions with legal, risk and accounting</li> </ul>
<b>Alignment with TCFD framework</b>	<ul style="list-style-type: none"> <li>• Educated task force on TCFD</li> <li>• Identified key partners to help with TCFD disclosure</li> <li>• Reporting aims to align with key TCFD principles</li> </ul>
<b>Environmental-related progress</b>	<ul style="list-style-type: none"> <li>• Calculated Scope 1 &amp; 2 GHG emissions</li> <li>• Performed Operational Carbon Reduction Analysis (Scope 1 &amp; 2)</li> <li>• Invested time and resources in environmental projects</li> <li>• Continued to work with environmental task force, corporate properties and procurement to understand our operational footprint impact</li> </ul>
<b>Assess client-related environmental risks and opportunities</b>	<ul style="list-style-type: none"> <li>• Performed loan portfolio overview of potential climate exposure analysis</li> <li>• Engaged with clients</li> <li>• Discussed client-related opportunities with client facing members of task force</li> <li>• Researched sustainable finance opportunities</li> </ul>
<b>For our Company, vendors and clients</b>	<ul style="list-style-type: none"> <li>• Continued to utilize task force and advisors to identify opportunities</li> <li>• Formed strategic partnerships</li> <li>• Held qualitative tabletop exercise</li> <li>• Developed mission statement and focus areas</li> <li>• Joined Ocean Climate Innovation Accelerator (OCIA)</li> <li>• Funded Blue Carbon Portal</li> <li>• Supported nature-based projects through the foundations and bank giving</li> </ul>

“ We recognize that climate change poses multifaceted risks such as food security, water availability, energy resources and economic stability. Moreover, as we increase ocean-related insights, we accelerate innovation for mitigating these risks, adapting to changing conditions and fostering resilience within our communities and ecosystems. Now more than ever, there is tremendous value in collaboration and partnerships to drive meaningful change that benefits both public and private interests. ”

- Dr. Carol Anne Clayson, Senior Scientist, Woods Hole Oceanographic Institution

# Environmental Strategy

Our strategy is focused on identifying and managing potential climate risks while recognizing opportunities that are client and community focused. We are guided by our sustainability mission statement to preserve, restore and contribute to the prosperity of the communities we serve.

An important part of our strategy includes industry engagement. We collaborate with peers and industry experts through working groups, roundtables and conversations facilitated by trade organizations such as The American Bankers Association, Bank Policy Institute, BAI and Risk Management Association. We also have a strong partnership with the science community, frequently engaging with organizations such as Woods Hole Oceanographic Institution, Sea Grant and The Nature Conservancy. This involvement allows for timely updates on regulatory, scientific and industry developments, best practice sharing and additional perspectives and insight on climate-related risks and opportunities.

Science is at the center of First Horizon's climate strategy. Recognizing the importance of accurate information, we evaluate risks and opportunities throughout our own operations and in our banking portfolio. To understand scientific principles and the benefits of public/private partnerships to facilitate positive progress, we continue to engage regularly with climate scientists, experts in the blue carbon space and coastal resilience leaders. This allows us to expand our expertise and differentiate ourselves as a company with a deeper appreciation of the complexity of climate change and a better understanding of the mid-to-long-term benefits to First Horizon and the communities we serve.

Our relationship-focused approach recognizes our clients have varying needs. We continue to broaden our efforts to provide sustainability-related and transition advice and support for clients, and have resources dedicated to renewable energy project financing.

Salt Marsh, GA



# The Blue Economy

The blue economy refers to the portion of the world economy that is directly served by ocean-related ecosystem services. We are seeing the blue economy as a tremendous area of opportunity and innovation. Blue carbon is a burgeoning area of the blue economy centered on the capacity of ocean and coastal ecosystems to reduce atmospheric carbon.

Given the dependence of society on the health of coastal ecosystems and the location of our own footprint, we continue to see coastal wetland restoration and conservation as an ideal climate change mitigation and adaptation strategy. Better management and restoration of coastal wetlands (mangroves, salt marshes and seagrass meadows) will not only enhance carbon sequestration but also provide co-benefits to local communities such as resiliency and biodiversity. We see the recognition of coastal wetlands in mitigating climate change gaining momentum. By investing in coastal wetland restoration and conservation projects, governments and organizations can play a powerful role in climate change mitigation efforts and ensure a sustainable future for both human populations and wildlife. These ecosystems serve as a valuable tool in building resilience against the effects of climate change, such as sea level rise and storm surges, making them a crucial component in environmental conservation and climate change adaptation.

“ *Blue carbon ecosystems offer a natural solution to remove carbon from the atmosphere, build resilience to mounting climate change impacts and preserve vital biodiverse habitats.* ”  
- World Resources Institute

## Ocean and Climate Innovation Accelerator (OCIA)

While the greenhouse effect has been recognized for years, it is not widely known that approximately 90% of the additional heat trapped in earth's ecosystem since the early 1950s has been absorbed by the ocean. As such, the ocean plays a crucial role in moderating the effects of increasing atmospheric levels of greenhouse gas emissions (GHGs) accelerating the trend to invest in ocean research to innovate around modeling of natural systems and identify viable climate solutions.

In August 2023, we announced our support and affiliation with the Ocean and Climate Innovation Accelerator (OCIA). The OCIA, launched by Woods Hole Oceanographic Institution (WHOI) and Analog Devices, Inc. (ADI), is a first-of-its-kind consortium bringing together industry, academia and philanthropy. Focused on advancing knowledge of the ocean's critical role as a defense against a warming planet, OCIA is developing and accelerating new climate change solutions.

OCIA was created to meet the urgent need to understand fundamental ocean processes to predict future climate impact and to guide policy formation. Member companies contribute resources, research capability and in-kind technology to collaborate with WHOI scientists across the Institution in creating technologies that support data collection and improve understanding of the ocean and its role in Earth's climate. OCIA is intentionally designed to bring together organizations across sectors and areas of expertise to drive collective action and meaningful change.

The funding First Horizon provided will be invested via OCIA in projects aimed at advancing the research, innovation and data collection needed to address the global climate crisis.



# Blue Carbon Update

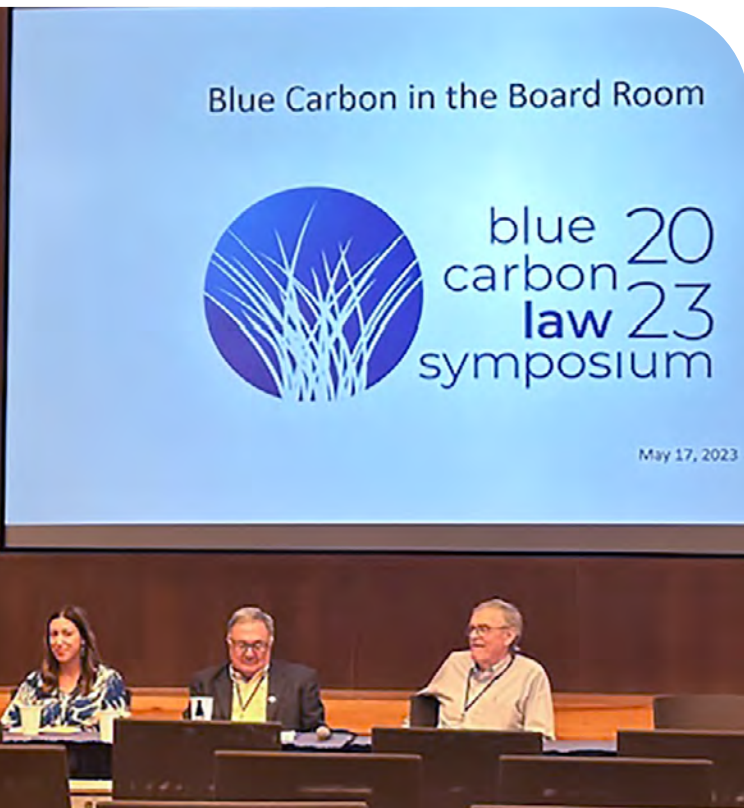
In 2022, First Horizon Bank hosted a blue carbon roundtable bringing together leaders in the scientific and private sectors to identify and discuss current challenges and emerging climate solutions. One of the insights from this roundtable was the realization that while there is a rapidly increasing understanding of the importance of and interest in blue carbon, there are challenges that prevent blue carbon projects from advancing.

Consequently, First Horizon has taken action to address two of the challenges identified: the difficulty in identifying shovel-ready projects and the uncertainty present in the nascent legal framework governing coastal blue carbon. We have also established a blue carbon working group to continue the discussion.

To make it easier to find blue carbon projects, the Louisiana First Horizon Foundation donated \$50,000 in seed money for the development of a Blue Carbon Portal for the U.S. Southeast and northern Gulf of Mexico coastal habitats. This project is a collaboration with First Horizon, the East Tennessee State University (ETSU) Research Corporation and South Carolina Sea Grant Consortium and is initially focused on areas within the U.S. southern Atlantic (South Carolina, Georgia and Florida) and northern Gulf of Mexico (Louisiana). As other partners join, the database will expand to additional coastal areas.

South Carolina Sea Grant is building the portal through engaging stakeholders such as landowners and natural resource managers, identifying potential sites, discussing opportunities with blue carbon practitioners and compiling spatial information within a searchable web-based Geographic Information System (GIS) interface.

To help drive needed development in the law governing blue carbon, in May 2023, working with South Carolina Sea Grant, the ETSU Research Corporation and the University of Georgia School of Law, First Horizon helped convene the first Blue Carbon Law Symposium in the United States. The symposium was well-attended and brought industry, academia and governmental representatives together to discuss the potential of blue carbon and the path to acceleration in the United States.



“ Our vision is to create a sharable tool that provides a regional inventory of potential blue carbon projects as an access point for land managers, restoration practitioners, regulators, investors and coastal scientists to interact. This tool will help identify projects that advance investments in coastal natural resource protection and stewardship. Some of these projects may allow for carbon offsets, which are going to be needed to support net-zero commitments across the U.S. ”

- Brita Jessen, Interdisciplinary Research and Partnerships Lead with South Carolina Sea Grant Consortium

# Client Strategy

We are seeing an increase in the number of our clients that are identifying climate risks and opportunities such as energy transition. Our clients are recognizing us as a knowledgeable partner as they raise questions, share their plans and ask for connections. Our collaboration with the scientific community has paved the way for meaningful conversations that bridge industry and science. Due to the complexity and trans-discipline nature of ecosystem services, we see value in driving these sorts of connections that may not otherwise occur organically.

## Sustainable Financing - Renewable Energy Project Financing

First Horizon's Equipment Finance Division provides project financing and tax equity for solar and wind renewable electric generating facilities. Since 2017, the team has provided capital of more than \$1.3 billion to renewable energy project financings.

This investment represents over 5,600 megawatts of generating capacity between facilities directly financed or where First Horizon was a participant. The renewable energy space is important to us, and we believe it will continue to grow given the market movement towards decarbonization. We are committed to building the business and focus on an investment of \$250 million annually between tax equity and project financing originations. We continue to target financing utility scale and distributed generation facilities with utility, corporate and municipal, as well as community solar power purchasers under long-term power purchase agreements.



# Climate Risks, Metrics and Analysis

We continue to enhance our capabilities to identify, measure and monitor potential climate-related matters. While we currently have climate risk integrated under operational risk, we believe that climate risk is transverse and impacts all of our existing risk types. Identified potential physical and transition risks across all risk types are listed in the chart below. Next steps include evaluating and maturing how climate risks show up across our enterprise risk management framework. We undertake this with the belief that climate risk is not a stand-alone risk but can manifest in many areas of our risk taxonomy. Additionally, we are cognizant that climate-risk solutions and other mitigation efforts are creating business opportunities.

Risk Type	Risk Type Definition	Physical failure to adapt to physical impacts	Transition failure to adapt to changes in policy, market and tech
<b>Reputational</b>	Reputational risk is the potential for negative publicity regarding an institution's representatives and/or business practices that will affect its ability to establish new relationships or services or continue servicing existing relationships.	Impact of stakeholder opinions based on the Bank's climate commitments	Impact of stakeholder perception and opinions on the progress toward climate commitments
<b>Strategic</b>	Strategic risk is the current and prospective impact on earnings, capital, credit ratings or equity valuation arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to industry changes, technology changes, changes in client behaviors or other competitive forces.	Impact of inadequate planning or strategy regarding climate risk	Impact of financing and/or progress toward climate commitments
<b>Credit</b>	Credit risk arises from the potential that a borrower or counterparty will fail to perform on an obligation.	Impact on repayment capacity and collateral value as a result of climate impacts	Asset quality deterioration of clients within carbon-intensive industries resulting from climate change-related policy, legal or market impacts
<b>Market</b>	Market risk is the risk to a financial institution's condition resulting from adverse movements in market rates or prices, such as interest rates, foreign exchange rates, commodity prices or equity prices.	Devaluation of assets due to physical impacts	Elevated market dysfunction and price volatility
<b>Operational</b>	Operational risk arises from the potential that inadequate or failed internal processes, people and systems or external events will result in losses.	Impact of extreme weather events on facilities, associates or vendors; resiliency of the Bank's technology	Increase in operating costs to incorporate requirements for regulatory and legislative changes; change management associated with processes
<b>Compliance</b>	Compliance risk is the risk of legal or regulatory sanctions, material financial losses or loss to reputation, resulting from failure to comply with laws, regulations, rules, related self-regulatory organization, standards and codes of conduct applicable to its financial services activities.	Noncompliance due to business and market disruptions from extreme weather events	Long-term impacts of new climate-related regulation and guidance
<b>Legal</b>	Legal risk arises from potential actions against the institution that result in unenforceable contracts, disputes and litigation or misrepresentations of law which can disrupt or otherwise negatively affect the operations, reputation or condition of a banking organization.	Perceived or real client or associate harm from climate event claims	Increased time and costs allocated to efforts to support climate disclosures as well as climate-related litigation due to stranded assets, climate events or market price declines
<b>Liquidity</b>	Liquidity risk is the potential that the company will be unable to meet its obligations as they come due because of an inability to liquidate assets, obtain adequate funding and/or easily unwind or offset specific exposures without a significant adverse financial impact lowering market prices because of inadequate market depth or market disruptions.	Impact to availability and accessibility of capital in markets for certain sectors and industries	Impact of climate events on economic activity, deposit trends and other funding matters
<b>Capital Adequacy</b>	Capital adequacy risk is the potential that capital levels are inadequate to preserve the safety and soundness of the company, support ongoing business operations and strategies and provide support against unexpected or sudden changes in the business/economic environment.	Incremental capital needed to absorb significant losses from climate change; physical climate change events may impact bank valuations	Adverse market movements resulting from transition risks such as legislative change, or from government fiscal responses; longer-term climate change risks may adversely impact the Bank's safety and soundness; cost of capital increases due to systemic changes in capital markets

\*Strategic and Reputational risk were split into two separate risk types as of Q1 2024.



# Credit Evaluation

Keeping environmental, social and governance risks in mind for all relevant aspects of business creates long-term value and reduces the chance of reputational, strategic and other risk factors. First Horizon may encourage escalation and additional due diligence when underwriting requests around sectors and industries that may present environmental, social and governance risks in our lending activities, but we recognize that risk management and business selection decisions are complex.

# Portfolio Analysis

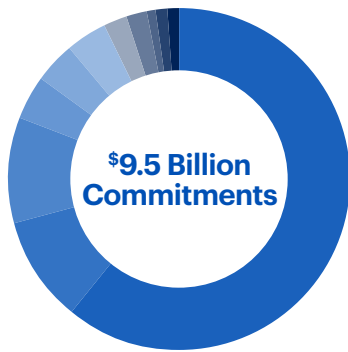
We continue to conduct loan portfolio analysis of potential climate and extreme weather exposure. These exercises help us identify industries and geographies that are more vulnerable to climate-related risks and allow us the opportunity to better understand the potential impact on our clients, profitability and credit portfolio. That said, we maintain a well-diversified portfolio that mitigates over-exposure to any particular industries and geographies. We have included examples of initial assessments and findings we have conducted to date.

# Physical Risk Analysis

We evaluate acute physical risk that is event-driven, including increased severity of extreme weather events, such as hurricanes, tornadoes, heat or cold waves, floods and chronic physical risk associated with long-term events. We also look at the increase of development in event-prone areas.

## Physical Risk: Commercial Commitments in Coastal Areas

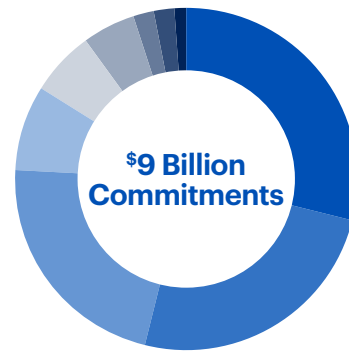
\$9.5 Billion represents coastal commitments by collateral states



- 61% Florida
- 10% Louisiana
- 10% Texas
- 4% South Carolina
- 4% New York
- 4% Alabama
- 2% Other\*
- 2% Virginia
- 1% Georgia
- 1% California
- 1% North Carolina

## Transition Risk: Potential Commercial Loan Exposure

\$9 Billion represents 13% of commercial loans (total \$68.3 Billion)



- 29% Oil and Gas
- 25% Transportation
- 22% Automotive
- 8% Chemicals
- 6% Utilities
- 5% Mining & Metals
- 2% Agriculture & Fishing
- 2% Plastics
- 1% Waste Management

\* Other includes NJ, MA, MS, WA, MD, DE, AK, CT and HI with commitments at or under 1% of total loans. As of 12/31/2023

# Transition Analysis

While climate-related risks and the transition to a lower-carbon economy impact most economic sectors and industries, we have identified the portion of the loan portfolio that is likely to have the most potential exposure to climate risk from a transition standpoint. For potential climate exposure industry selection, we utilized the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) frameworks, as well as internal analysis, peer disclosures and advice from advisors.

Industry	Risk Rationale	Opportunity
<b>Agriculture</b>	Agricultural production requires energy, either directly in the form of fossil fuels or electricity or indirectly through energy-intensive inputs such as fertilizer. Intensity of greenhouse gas (GHG) emissions vary depending on the agricultural product. Physical risks include a wide range of shocks and stresses including floods, droughts, intense storms, untimely rain, hail, frost, variability in yields, shift in average growing conditions and more.	Investment in alternative proteins (i.e., non-meat), synthetic biology solutions, regenerative agriculture and new land use methods to improve yields and decrease the use of agrochemicals.
<b>Automotive &amp; Gas Stations</b>	Continued decarbonization of the sector is a priority. While the number of electric cars entering the market is small, evidence shows their share will likely increase over the next several years, putting increased transition risk on the traditional automotive and gas stations.	Opportunities exist for this industry to increase efficiency of internal combustion engine vehicles and convert a significant portion of production to electric vehicles. Other transition opportunities such as hybrid, rideshare and autonomous driving have the potential to create efficiencies.
<b>Chemicals</b>	Currently, the key basic steps of chemical production produce substantial GHG emissions. Organic chemical manufacturing currently relies heavily on non-renewable carbon feedstocks. Physical risks such as flood, droughts, extreme temperatures and climate-related disruption in supply chains will continue to pose risk, operational disruption and physical damage.	The chemical sector is carbon intensive but is also an enabler of the low-carbon transition. The sector has significant opportunities to develop its activities and products and minimize its carbon emissions especially as it transitions to a circular economy and develops lower carbon feedstock via synthetic biological routes.
<b>Oil &amp; Gas</b>	Increasing government and shareholder pressure is on the sector to reduce fossil fuel activities such as offshore exploration, gas flaring and phase out the internal combustion engine. The commitment to renewables and clean energy alternatives is also putting pressure on this industry.	The pace of transition, while accelerating, is still going to take some time. That said, companies have become highly focused on transition plans and developing a strategy of providing solutions by investing in clean-tech and renewable solutions.
<b>Mining &amp; Metals</b>	Declining demand for coal in power generation as well as investors withdrawing or limiting exposure to coal. This sector also requires large energy use in the manufacturing of product.	Lower carbon energy systems tend to be more metal-intensive and some companies in this sector could provide solutions in the energy transition.
<b>Plastics</b>	Pressure to eliminate single-use plastic could put pressure on demand for plastic products and manufacturing. This sector currently uses a large amount of non-renewable carbon feedstocks and faces a transition risk.	Those that find a way to materially participate in the circular economy are likely to outperform.
<b>Transportation</b>	Pressure around air emissions and carbon regulation could add increased cost of capital and research and development. This sector has traditionally relied heavily on fossil fuels and policymakers may make strict targets for emissions and fuel efficiency from transportation carriers.	Opportunities exist to use new technologies to address lower-emissions standards and increased fuel-efficiency requirements, including transport vehicles (cars, ships, planes, rail) that run on a range of traditional and alternative fuels.

\*Strategic and Reputational risk were split into two separate risk types as of Q1 2024.

## Hurricane Analysis

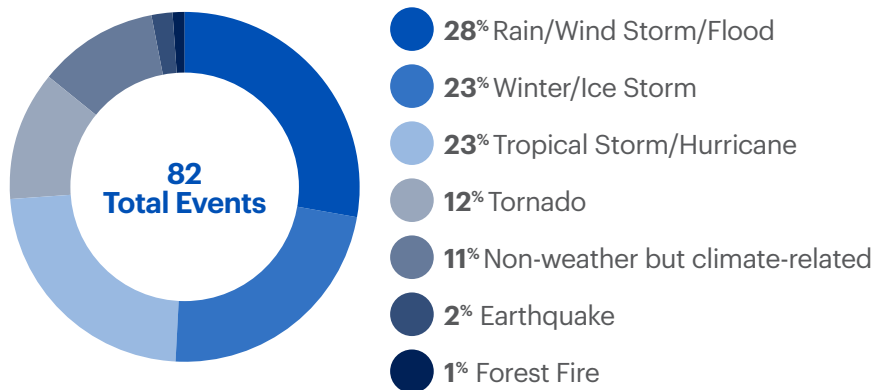
We continue to explore mapping and analysis around potential disasters, including hurricane impacts to our portfolio. Using geographical information systems (GIS), we are striving to gain greater insights to visualize and analyze our data, provide climate change impacts to our portfolio more quickly and transform decision-making.

## Business Resilience

Our business resilience planning is focused on preparing for potential impacts on First Horizon locations, personnel, clients, technology operations and vendors. To enhance the resilience of the Bank's technology, we carefully consider various risk factors, such as climate and environmental conditions, when selecting data center locations. The effects of natural disasters and the resulting costs and revenue losses due to physical damage are also considered in our operational risk management processes. In the event of a business disruption, we assess the effectiveness and quality of the Bank's response to learn from the experience.

Our experience in responding to past weather events and close connectivity to weather and hurricane experts position us well to understand, mitigate and address risks in the future.

### 5-Year History of Extreme Environmental Events in our Footprint (2019-2023)



## Scenario Analysis

Climate scenario analysis in the banking industry is challenging due to the inherent uncertainties and complexities associated with climate change and its impacts on financial institutions. Predicting and quantifying these risks through scenario analysis is difficult due to the long-term nature of climate change and associated models and significant data gaps.

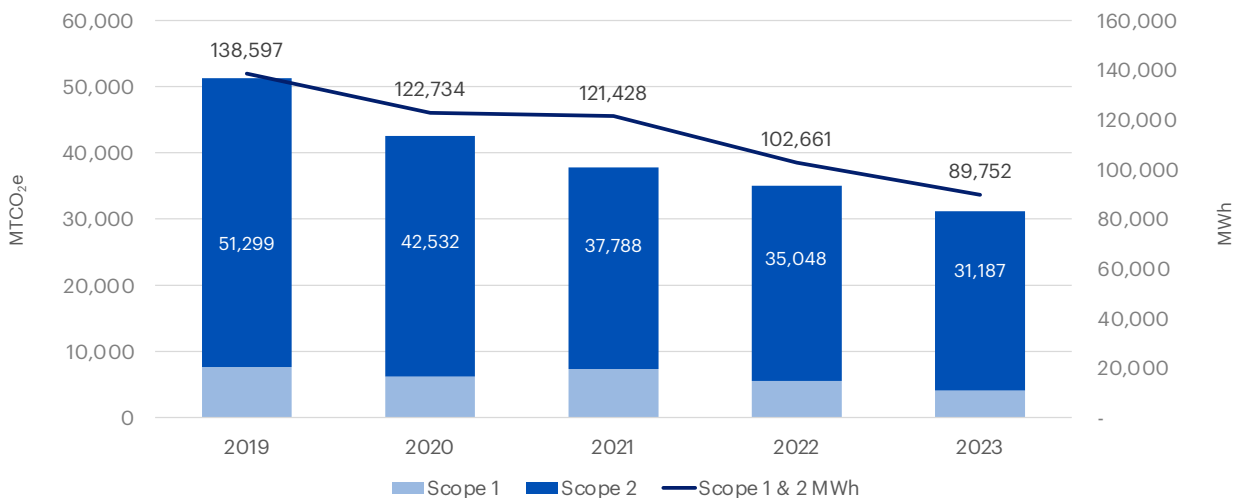
Despite these challenges, we recognize the importance of integrating climate scenario analysis into our risk management practices. Joining the Risk Management Association Climate Consortium has allowed us to engage with larger banks and learn more about their experience with scenario analysis. Additionally, we have engaged with our climate scientist and other advisors to begin exploring how we can conduct analysis that will be useful to decision-making methodology.



# Facility Emissions

We continue to voluntarily disclose our Scope 1 and 2 emissions as we believe transparency may be helpful or useful to others. Since 2019, we have realized a 39% reduction in GHG emissions with a 35% reduction in energy usage. We are focused on continuing to trend downward, maintaining and operating our facilities with intentional efficiencies and operational improvements.

## Scope 1 & 2 Emissions



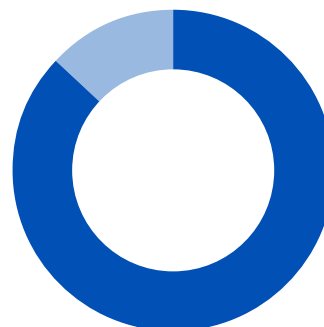
## Scope 1 & 2 Emissions Details

Emissions (MTCO <sub>2e</sub> )						% Change	
	2019	2020	2021	2022	2023	YoY	Baseline
Scope 1	7,661	6,189	7,349	5,496	<b>4,105</b>	-25.3%	-46.4%
Scope 2	43,639	36,343	30,439	29,552	<b>27,082</b>	-8.4%	-37.9%
Scope 1 & 2 MTCO <sub>2e</sub>	51,299	42,532	37,788	35,048	<b>31,187</b>	-11.0%	-39.2%

Usage (MWh)						% Change	
	2019	2020	2021	2022	2023	YoY	Baseline
Scope 1	39,306	32,820	38,490	28,034	<b>20,501</b>	-26.9%	-47.8%
Scope 2	99,291	89,914	82,938	74,627	<b>69,251</b>	-7.2%	-30.3%
Scope 1 & 2 MTCO <sub>2e</sub>	138,597	122,734	121,428	102,661	<b>89,752</b>	-12.6%	-35.2%

GHG – greenhouse gas, MWh – megawatt hour, MTCO<sub>2e</sub> -Metric tons of carbon dioxide equivalent  
 Source: Engie using GHG protocol; location-based emissions

## Enterprise GHG Emissions



- 87% Scope 2
- 13% Scope 1

## Value Chain Emissions

Due to the ongoing development of various methodological approaches and unreliable data quality, we have not calculated our Scope 3 financed emissions at this time. We continue to monitor the development of calculation methodologies as well as the evolution of regulatory guidance.

## Looking Ahead

We understand the role we, and all companies, play in helping reduce society's carbon footprint. As we have to date, we will continue to be diligent in our approach. There is significant uncertainty regarding when and how our clients, and other parties with whom we have relationships, might be able to reduce their GHG emissions.

## Transition and the Circular Economy

We believe that some of the most important advancements in the energy transition may occur through industries that are more carbon intensive (i.e., Oil and Gas) as they have the technology, equipment, resources and incentive to develop carbon capture and other technologies needed for the future. We continue to engage with our banking teams on opportunities we are capturing through our renewable team focused on solar and wind energy tax credits.

We understand the importance of food, water and energy matrix as reductions in food waste and water usage reduce energy consumption.

We have also begun to explore opportunities to contribute to the circular economy. We know through the work of the Ellen McArthur Foundation that a transition to a circular economy helps tackle global challenges like climate change, bio-diversity loss, waste and pollution. [Click here](#) for more information on the circular economy.

## Building Upgrades

We continue to focus on reducing, reusing and replacing in addition to making other positive changes in our footprint. We have put in motion actions to reduce emissions through energy efficient buildings and operations with measurable results.

In 2023, we completed over 140 building upgrades totaling over \$9.8 million that have an impact on our resource consumption, including roofing, HVAC/mechanical and lighting projects.

## Environmental Task Force

Our Environmental Task Force, launched in 2021, supports and guides the implementation of First Horizon's environmental strategy. Monthly meetings focus on climate-related topics such as risks, opportunities and operational ideas. The group is composed of senior leaders from business and corporate support areas across the organization including risk, business resilience, marketing, credit, procurement, corporate properties, communications and client-facing bankers. To-date, this task force has been instrumental in educational awareness, associate engagement, operational efficiencies and sustainable finance pathways.



## Eco Champions

Eco Champions serves as our environmental associate resource group (ARG) - a network of environmental advocates who are passionate about fostering awareness, education and engagement related to the environment and climate while working toward a more sustainable future.

2023 Highlights:

- Recruited 98 new members, nearly doubling membership from 2022
- Hosted three virtual education sessions focused on preservation and restoration
- Hosted seven companywide engagement/ community events including Earth Month, Plastic Free July and EcoChallenge
- Hosted two cross partnership events with other ARGs



## Eco Champions Leadership Council

In 2023, we expanded the Eco Champions Leadership team by creating a leadership council and promoting an additional co-chair. The Eco Champions Leadership Council serves as the core leadership team for the ARG. These council members are thought leaders who assist in driving initiatives, help communicate plans and recruit new members.





# Community Sustainability Stories

## Ducks Unlimited Wings Over Water

In 2023, we were recognized with the Ducks Unlimited Corporate Conservation Achievement Award at their DU National Convention; Bryan Jordan accepted the award for our contribution of \$1,000,000 to aid in wetland conservation in 2022. Ducks Unlimited's mission is to conserve, restore and manage wetlands and associated habitats for North America's waterfowl, other wildlife and people. Our contribution enabled them to build on their core strengths of advocacy, habitat development, land protection, communications and science.



Wings Over Water reception

## City Park Wetland Rehabilitation

In June of 2023, First Horizon joined the City Park Conservancy and its corporate partners to host a ribbon-cutting ceremony highlighting the expansion and rehabilitation of the park's Festival Grounds Wetland, made possible by a donation of \$250,000 from the Louisiana First Horizon Foundation.

The wetland rehabilitation project is committed to improving park ecosystems and the surrounding community by increasing stormwater storage capacity, removing invasive vegetation and planting native species to increase embankment stability. It also includes resurfaced and reshaped walking paths and a boardwalk.

The constructed wetland can hold over 700,000 gallons of stormwater before it is released. This is designed to improve water quality and reduce the strain on the city's drainage system in intense weather events.

“Through projects and partnerships, we're committed to preserving biodiversity and generating benefits to our communities. The wetland impacts countless park visitors and the surrounding neighborhoods, and we are proud to be a part of a project that fosters joy and resiliency in our community.”

- Mary Lakey, Head of Environmental, Social and Governance



City Park ribbon cutting





Wetland rehabilitation

## Great St. Johns River Cleanup

First Horizon supported the first annual Great St. Johns River Cleanup. This month-long event spanned six counties and over 75 clean up events along the tributaries and creeks that feed the 310-mile-long St. Johns River. First Horizon associates volunteered over 27 hours cleaning up the river shoreline and contributed \$10,000 to the initiative.

## Overton Park Conservancy's Environmental Education Programming

Overton Park, with the Old Forest State Natural Area and open green spaces, has been a constant in Memphis for more than a century. With the launch of environmental education programming, the Conservancy is committed to cultivating an environmentally conscious public, spark creative inspiration from nature, particularly with marginalized youth, and celebrate what the park and nature as a whole can do for mental and physical health.

First Horizon contributed \$25,000 to support program objectives which include connecting people to nature, inspiring the next generation of park stewards and promoting wellness for all.



River clean up

## REEF Fest 2023

REEF Fest is a four-day celebration of marine conservation in the Florida Keys. The goals of REEF Fest are to increase public awareness and stewardship of the Florida Keys' marine habitats, promote the Florida Keys as an eco-tourism destination and support the local community while celebrating and encouraging marine conservation. REEF Fest benefits local Florida Keys businesses, the local community and the marine environment, partnering with a variety of scuba diving operators, local nonprofits, hotels and public venues. REEF Fest increases awareness of the marine environment by providing numerous educational opportunities, building a more sustainable future for the community by educating and developing the next generation of ocean leaders. First Horizon has been a platinum level sponsor of this event for the past two years.



Georgia Sea Grant State Fellowship


## UGA's Marine Extension and Georgia Sea Grant

University of Georgia's (UGA) Marine Extension and Georgia Sea Grant directed funds received from First Horizon to a conservation-oriented fellowship. Partnering with the highly regarded Georgia Conservancy, UGA contributed a portion of the funds to underwrite a year-long Georgia Sea Grant State Fellowship. This position provided a recent college graduate the opportunity to apply her science training to pressing coastal issues. Monet Murphy is currently working with both organizations (and other state and local entities) to help implement the South Atlantic Salt Marsh Initiative in Georgia to protect and restore the expansive salt marsh ecosystem in the South Atlantic Region.



# Governance *and* Ethics

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First Horizon seeks to deliver sustainable returns for our shareholders while adhering to strong corporate governance and ethical standards. Our Board of Directors is comprised of experienced leaders from various industries who play a vital role in steering our long-term success. They are actively engaged in overseeing our operations, setting compensation targets, approving budgets and strategic plans, evaluating risks and monitoring performance. We firmly believe sound corporate governance principles are crucial for maintaining our reputation of integrity in the market and driving our efficiency and overall success.



# Board Composition and Governance

As of May 1, 2024, our Board of Directors is comprised of 13 leaders whose collective experience, qualifications and skills allow the Board to satisfy its oversight responsibilities effectively. The Board conducts annual evaluations to determine whether it and each of its committees and members are functioning effectively and identify opportunities to enhance its effectiveness. Every three years (or as otherwise determined by the Nominating and Corporate Governance Committee) the Company engages a third party to conduct individual director assessments and to provide advice and reports on how individual directors and the Board can improve. The board members recognize the importance of ongoing refreshment to ensure the Board includes diverse perspectives and a range of expertise. Additional details can be found on pages 4-6 of our [proxy statement](#).

## Board Composition and Governance

Practice	First Horizon
Number of directors	13
Independence % of directors	92% (12 of 13)
Independence on key board committees*	100%
Is there majority voting for directors (in uncontested elections)?	Yes
Must director tender resignation if fails to receive majority vote?	Yes
Average director age	64 years
Average director tenure	8.8 years
Board refreshment	Of current directors, 7 joined the Board in the past 5 years
Does the company disclose a director skills matrix?	Yes
Gender diversity % of directors	38% (5 of 13)
Racial/ethnic diversity % of directors	23% (3 of 13)
Are CEO and Chairman of the Board separate?	No
Is the Chairman of the Board independent?	No
Is there an independent Lead Director?	Yes
Director terms	All directors are elected for a term of one year
Does the company disclose stock ownership guidelines for directors?	Yes
Mandatory retirement age	72, for non-employee directors
Retirement age waivers	Board may waive each year for up to 3 additional terms
Resignation tender if director has major job change (other than promotion)?	Yes
Directors on more than two other public company boards	None
Annual board and committee self-evaluations?	Yes
Annual individual director evaluations?	Yes
Third party engaged to conduct Board and director evaluations?	Yes; every 3 years or as determined by the Nominating & Corporate Governance committee
Incumbent director attendance at Board and committee meetings	Average attendance > 96% in 2023
Total Board meetings held in 2023	9
Total Board committee meetings held in 2023	41
Do directors meet in executive session without management?	Yes, generally at each regular Board meeting

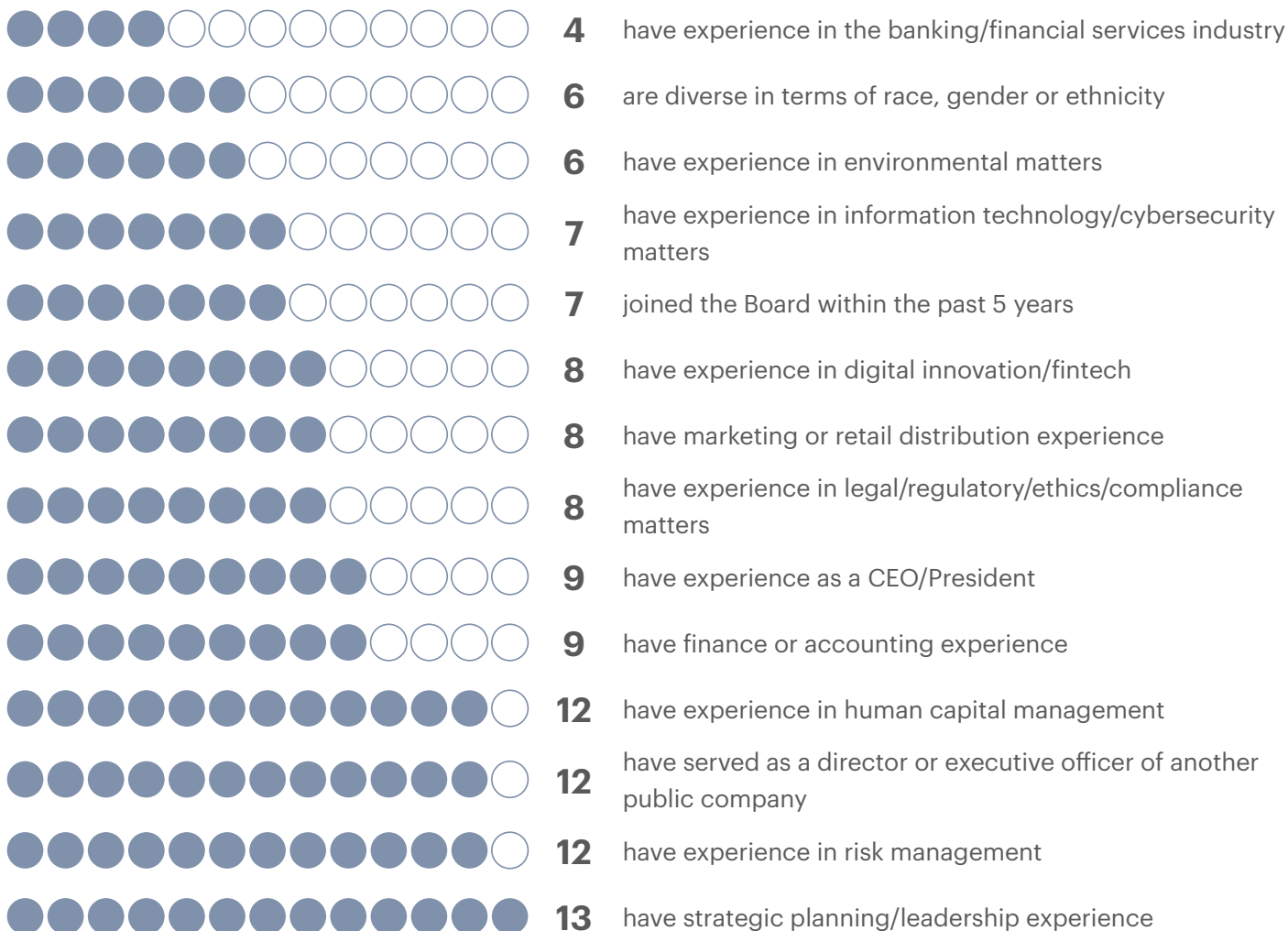
\* Key board committees are Audit, Compensation and Nominating & Corporate Governance.

# Diversity, Experience and Qualifications

Our 13 directors were nominated by the Board based on the belief that each one possesses significant experience and expertise that will serve First Horizon well. The breadth of their expertise and their mix of attributes is reflected in the chart and matrix below. See the matrix for a description of each of the categories of skills.

First Horizon values diversity and believes it is important to the effective functioning of the whole organization. This belief is reflected in the diversity of our directors.

## Our Directors at a Glance\*



\*Please see the matrix on the next page for additional information on the scope of each category.

## By the Numbers

**46%** diverse in terms of race, gender or ethnicity

**38%** women

**23%** ethnically diverse (15% African American, 8% Hispanic)

**15%** both women and ethnically diverse

**33%** of the standing board committees led by women

## Director Skills and Characteristics Matrix

	Barton	Carboni	Compton	Davidson	Dietrich	Jordan	Kemp	Maples	Palmer	Reed	Stewart	Sugraffes	Taylor
<b>CEO/President.</b> Experience as CEO, President or similar position at a firm or major operating division.			✓	✓	✓	✓	✓			✓	✓	✓	✓
<b>Finance/Accounting.</b> Audit company financial expert, CFO or experience (including oversight experience) in accounting or financial planning and analysis.	✓	✓		✓	✓	✓		✓	✓	✓			✓
<b>Banking/Financial Services Industry.</b> Executive experience in banking, investment banking, broker-dealer or insurance.						✓		✓			✓		✓
<b>Strategic Planning/Leadership.</b> Experience defining the strategic direction of a business or organization; service in a significant leadership position.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Public Company.</b> Experience as a public company director or executive officer.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Racial, Ethnic or Gender Diversity.</b> As identified by the director.		✓		✓			✓		✓		✓	✓	
<b>Information Technology/Cybersecurity.</b> Experience implementing information technology and cybersecurity systems or managing a business in which such systems play a significant role.		✓			✓	✓	✓			✓	✓		✓
<b>Digital Innovation/Fintech.</b> Experience in the use of technology to facilitate business operations and customer service.		✓	✓	✓		✓		✓		✓	✓		✓
<b>Environmental Matters.</b> Experience understanding, evaluating and managing environmental risks and opportunities.			✓	✓	✓		✓			✓			✓
<b>Human Capital Management.</b> Experience in workforce management, compensation, inclusion and diversity efforts, culture, succession planning and talent management.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Risk Management.</b> Experience with understanding and managing risk in a large organization.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
<b>Legal/Regulatory/Ethics/Compliance Matters.</b> Experience (including oversight experience) managing legal, regulatory, ethical and compliance risks and obligations.	✓	✓			✓	✓				✓	✓	✓	✓
<b>Marketing/Retail Distribution.</b> Experience in building and maintaining customer relationships.		✓	✓	✓		✓				✓	✓	✓	✓



# Board and Management Oversight

We believe a solid governance structure is critical to managing environmental, social and governance risks and identifying new opportunities to continue to improve. We have established disciplined and transparent governance and continue to educate and engage the Board on this topic.

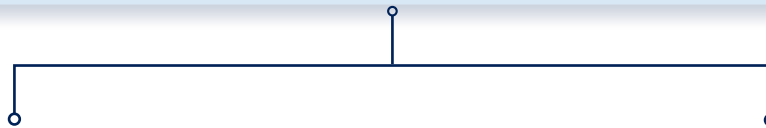
Operating responsibly and creating a more sustainable company is important to the growth and future of our organization. Our corporate responsibility strategy continues to encompass environmental, social and governance priorities for our stakeholders and evolves in response to a dynamic operating environment. Our Here for Good strategy remains centered around five interrelated pillars— Clients, Associates, Communities, Environment and Governance. We continue to engage with our advisors, including a climate scientist, and our peers and to track regulatory progress and momentum. We recently conducted a stakeholder assessment that will help keep us better informed and guide our strategy as we navigate the changing landscape.

In 2024 and beyond, we intend to focus on qualitative and quantitative measurements to monitor progress and continue to engage with advisors, including a climate scientist, to operationalize solutions and to incorporate climate risk throughout our risk management processes and policies. The chart below lays out our governance structure:

## Board Oversight

### Board of Directors

Oversees the Company’s management of ESG matters, receiving regular reports on the Company’s diversity, equity and inclusion program and on climate and other environmental matters impacting the Company.



### Nominating and Corporate Governance Committee

Formally charged with oversight of the management of all ESG matters. The chair of the committee reports to the Board on a regular basis regarding these matters.

### Risk Committee

Assists the Board in its oversight of risk management, which includes environmental and social risks and business resilience as well as our risk appetite statement, which includes climate risk as a key risk.

## Management Oversight

### Management Risk Committee

Reviews and approves First Horizon’s Enterprise Risk Management framework which identifies a variety of risks, including climate-related issues and other environmental and social factors.



### Environmental, Social and Governance Leadership Team

Provides strategic direction and develops and executes environmental, social and governance strategy.

## Strategic Working Groups

### Environmental, Social and Governance Working Group

Cross-segment team that informs overall ESG strategy and goal setting; meets quarterly to help verify we are considering all risks and opportunities related to ESG matters.

### Task Forces

Act as a support and advisory body to oversee the implementation of First Horizon's strategy around climate and other ESG topics to discuss risks and opportunities and operationalize the strategy.

#### Environmental Task Force

Ensures successful implementation of environmental efforts, operationalize ideas and focus areas and identifies areas of additional opportunity.

#### Social Task Force

Brings together key leaders from CRA, DEI, ESG, PR and Foundations to confirm that we are aligned on focus areas and priorities.

#### Disclosure Task Force

Provides monthly check-in with legal, financial reporting, risk, investor relations and ESG to discuss disclosure, regulatory updates and other important matters.

## Board Committees

Oversight of risk management is central to the role of the Board. Our Board provides oversight of overall risks, with emphasis on strategic risks and those related to reputation and corporate social responsibility. The Board reviews and approves our risk appetite statement, which defines the outside limit of risk that First Horizon is willing to assume in executing our business strategy through the business cycle, on an annual basis. Our risk management processes are reflected in a Board policy on risk management governance and in the Board risk appetite statement. The policy delegates primary responsibility for enterprise risk management oversight (including oversight of information security risk) to the Risk Committee. The role of that Committee, as well as that of the Audit, Compensation and Nominating & Corporate Governance Committees, is outlined below. Each of these committees and the full Board receive regular reports from management regarding the Company's risks and each committee reports regularly to the full Board concerning risk.

### Risk Committee

The Risk Committee (RC) has, as its sole and exclusive function, responsibility for the risk management policies of the Company's global operations and oversight of the operation of the Company's global risk management framework. The RC is charged with overseeing and receiving information regarding the Company's risk management and business practices, policies and procedures relating to strategic, reputational, credit, market, operational, compliance, legal, liquidity and capital adequacy risks, as well as reviewing regulatory reports, correspondence and actions with management and/or regulators. In connection with its credit risk responsibilities, the Committee oversees First Horizon's independent Credit Assurance Services department.

## Audit Committee

The Audit Committee is responsible for oversight of the preparation, presentation and integrity of the Company's and the Bank's financial statements, accounting, reporting, adequacy of the Company's and the Bank's internal controls and compliance with laws and regulations. The Committee is also responsible for ensuring appropriate disclosures and coordinating with the Company's Independent Auditor and Internal Auditor. The Audit Committee receives reports from the Chief Audit Executive regarding risk governance, risk assessment and risk management, the adequacy of the Company's policies and compliance with legal and regulatory requirements. These include reports from the IT Audit area on the Company's information security, including risk assessment and planning relating to cybersecurity, network security and physical security. The Audit Committee also reviews associate complaints or material reports or inquiries received from regulators or government agencies and management's responses; meets periodically with the Company's Chief Risk Officer to discuss any risk and compliance matters that may have a material effect on the Company's financial statements or internal controls; discusses any significant compliance issues raised in reports or inquiries received from regulators or government agencies; reviews periodic reports regarding the Compliance and Ethics Program on the effectiveness of that program; and discusses with the General Counsel pending and threatened claims that may have a material impact on the financial statements.

## Compensation Committee

The Compensation Committee is responsible for compensation-related risks. The charter of the Committee requires the Committee to oversee our compliance with all applicable laws and regulations relating to (i) appropriate management of the risks associated with incentive compensation programs or arrangements or (ii) public, regulatory, or other reporting associated with such risks, programs or arrangements. Additional information about the Committee's role in risk management is included under the heading Compensation Risk within The Compensation Committee, which begins on page 25 of the [proxy statement](#).

## Nominating & Corporate Governance Committee

The Nominating & Corporate Governance Committee assists in identifying and recommending director candidates, developing and recommending to the Board a set of corporate governance principles applicable to the Corporation and overseeing the evaluation of the Board and management. The Nominating and Corporate Governance Committee has oversight responsibility for environmental, social and governance matters. The Nominating & Corporate Governance Committee is responsible for overseeing risks relating to the Company's governance structure and Board succession, as well as those relating to the Company's management of and commitment to ESG matters and ESG reporting.

First Horizon's Board also has an **Executive Committee**, which is authorized to exercise, from time to time during intervals between the meetings of the Board of Directors, all authority of the Board of Directors, except as otherwise provided in the Executive Committee Charter. The Committee's responsibilities also include, but are not limited to, oversight of the Company's stock repurchase program; approval of the opening of banking centers; review of management reports on business operations; review and approval of acquisitions and divestitures except as otherwise noted in the Committee's Charter; review, amendment and approval of policies the Board has directed to be presented to the Board through the Committee. The Board also has an **Information Technology Committee**, which assists management in its understanding of information technology trends, development and maintenance of an information technology strategy, management of major information technology investments and its identification to assist the Board in its oversight of information technology matters.



# Responsible Risk Management

First Horizon's operating philosophy is soundness, profitability and growth, in that order. Risk taking must be viewed in the context of safety and soundness considerations, business environment, return to shareholders, rating agencies and our capabilities to understand and manage risk in a prudent manner.

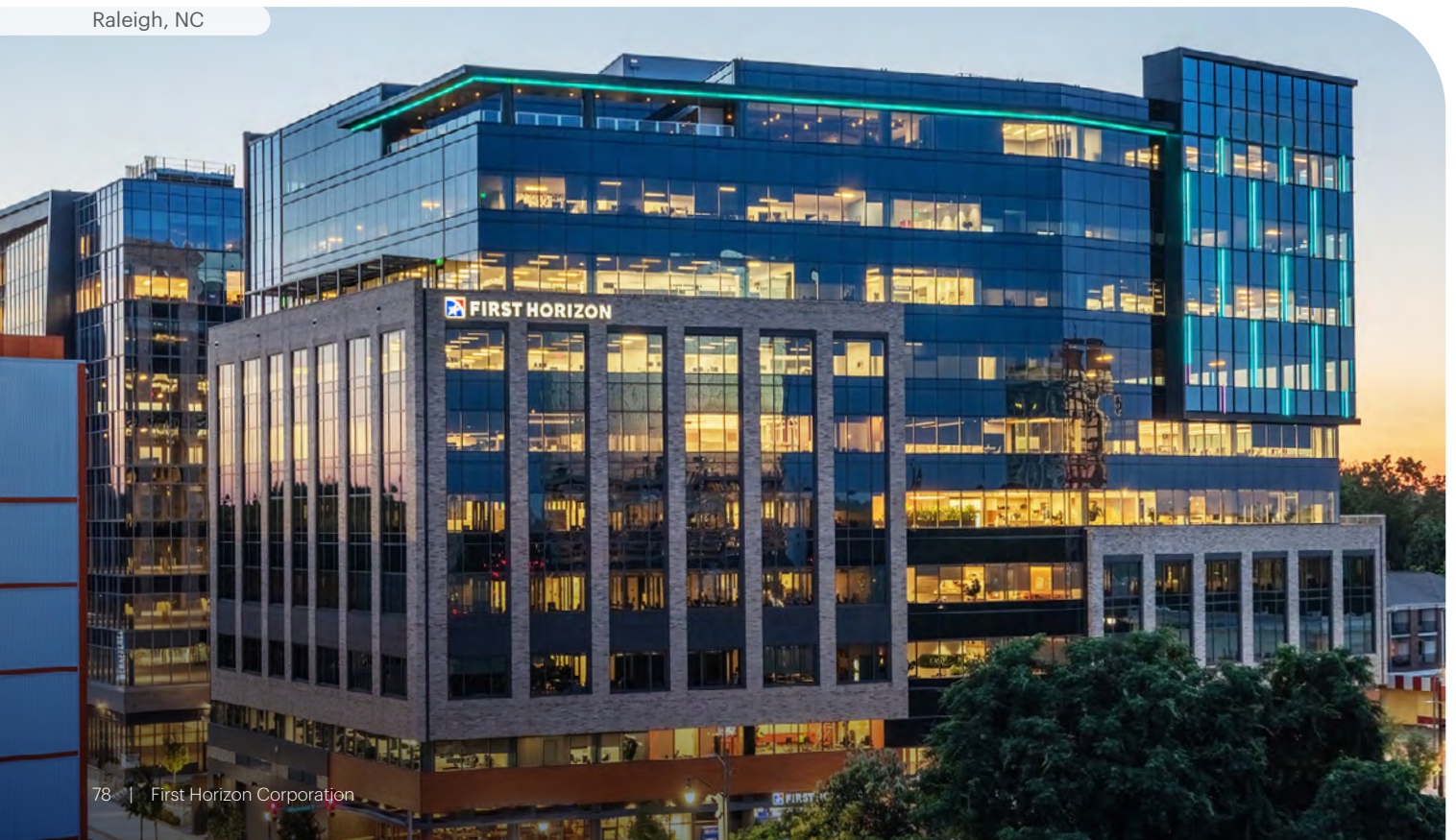
The Company's Risk Management organization (Risk Management Group) is headed by the Chief Risk Officer (CRO) and Chief Credit Officer (CCO) and provides objective oversight of risk, including climate risk. They translate the Company's overall risk appetite into approved limits and formal policies and are supported by corporate staff functions.

The Company's Risk Appetite Statement articulates our view towards risk-taking to ensure sufficient returns, safety and soundness and to protect its stakeholders' interests. This statement provides a common framework and comparable measures for the Board of Directors and Executive Management to communicate, understand and assess the level of risk they are willing to accept.

Our Strategic Plan and Risk Appetite are aligned and include long-term perspective on risks and rewards that is consistent with the capacity of First Horizon's risk management framework to ensure appropriate financial strength and operational resilience. Our strategy enables us to deliver on our purpose, attract and retain our clients and drive financial performance. Keeping the client experience at the center of our decisions is critical. We are well positioned to protect profitability, accelerate transformation and elevate people and our communities.

Our risk appetite statement references that Environmental, Social and Governance considerations remain critical to our strategic plan and risk management framework.

Raleigh, NC



# Risk Management Role

The Risk Management Group proactively works with business units, senior management and functional experts to establish appropriate standards, monitor business practices in relation to those standards and ensure that management continuously focuses on key risks in the Company's business and emerging trends that may change the Company's risk profile.

The Management Risk Committee (MRC) is the management committee responsible for overseeing the Company's adherence to the risk management policies and procedures governing its operations. The MRC is a forum for reviewing the activities of supporting committees that manage and oversee specifically identified areas of potential risk and addressing any other risks separately identified by the MRC. The MRC reviews and the Board Risk Committee approves First Horizon's Enterprise Risk Management framework which identifies a variety of risks, including environmental and social factors.

The Environmental, Social and Governance Working Group, which meets quarterly, includes representatives from various aspects of the Company to help ensure we are considering all risks and opportunities as we focus on climate risk and other initiatives.

## Risk Culture

- Tone from the Top
- Board and Management Oversight
- Key Leadership Assessment
- Aligned Incentive Plans
- Risk Training
- Risk Partnership Model

Dimension	Overview	Dimension	Overview
<b>Risk Coverage</b>	<ul style="list-style-type: none"> <li>• Established risk taxonomy</li> <li>• Risk identification process for new and emerging risks</li> </ul>	<b>Control Environment</b>	<ul style="list-style-type: none"> <li>• Robust control inventory aligned to Risk Taxonomy</li> <li>• Quarterly control attestations on all SOX controls and key non-SOX controls</li> </ul>
<b>Risk Appetite</b>	<ul style="list-style-type: none"> <li>• Corporate risk appetite statement with qualitative and quantitative statements</li> <li>• Aligned to Strategic Planning process</li> </ul>	<b>Risk Monitoring</b>	<ul style="list-style-type: none"> <li>• Three Lines of Defense Framework</li> <li>• Assurance and testing functions</li> <li>• Risk events tracking and root cause analysis</li> <li>• KRI and limits performance</li> </ul>
<b>Governance and Policies</b>	<ul style="list-style-type: none"> <li>• Robust corporate governance structure for Board and Management oversight</li> <li>• Board and Management policies to govern risk throughout the company</li> </ul>	<b>Risk Data and Reporting</b>	<ul style="list-style-type: none"> <li>• Enterprise Risk Report (ERR)</li> <li>• Issues Management Reporting</li> <li>• Risk Dashboards</li> </ul>
<b>Risk Assessment and Measurement</b>	<ul style="list-style-type: none"> <li>• Enterprise Risk Assessment process</li> <li>• Measurement based on Enterprise Risk Rating Methodology</li> <li>• Supplemental Risk Assessments</li> </ul>	<b>Stress Testing</b>	<ul style="list-style-type: none"> <li>• Enterprise-wide capital stress testing process</li> </ul>



# Approach to Risk Management

Our three lines of defense model provides internal controls that enhance clarity regarding risks, establishes proper segregation of duties and helps improve the effectiveness of overall enterprise-wide risk management.

## First Line of Defense

The Company's lines of business and business units are responsible for identifying, acknowledging, quantifying, mitigating and managing risks. They determine and execute their strategies, which positions them closest to the changing nature of risks and are therefore in a position to manage and mitigate those risks.

## Second Line of Defense

The Company's Risk Management Group is headed by the CRO and CCO and provides objective oversight of risk-taking activities. They translate the Company's overall risk appetite into approved limits and formal policies and are supported by corporate staff functions, including Legal, Finance, Human Resources and Technology.

## Third Line of Defense

Internal Audit and Credit Assurance Services provide independent and objective assessment of the design and execution of the Company's internal control system, including management systems, risk governance and policies and procedures.

In 2023, we made changes to our risk management tools and processes including:

- Automation of various control processes to improve efficiency and reduce error rates.
- Continued enhancements and implementation of a streamlined third-party risk program.
- Enhanced cybersecurity and technology risk assessment process, metrics and reporting.
- Continued enhancements to Complaint Management System enabling consistency in capturing all complaints across line of businesses and third parties.

Vernon Stafford Jr., Chief Audit Executive, with Audit team







Terry Akins, Chief Risk Officer, Susan Springfield, Chief Credit Officer, and Tammy LoCascio, Chief Operating Officer

## Compliance Overview

First Horizon operates a comprehensive, effective and efficient Compliance Management Program that facilitates a strong compliance culture to protect the Company, its associates, Board of Directors and shareholders from significant regulatory and reputational risk while ensuring our clients are provided with exceptional service and protected from harm.

The objectives of the Company's Compliance Management Program are to:

- Provide compliance oversight and a monitoring framework to help detect, mitigate and, as appropriate, remediate compliance risks and issues
- Ensure that regulatory requirements are incorporated into business processes, as appropriate, and that line of business management and associates understand their responsibility to meet these requirements
- Verify that the Bank's products and services are designed, offered and administered on terms consistent with applicable regulatory requirements
- Provide an effective and efficient framework to disseminate information throughout the organization and respond to regulatory changes in a timely manner
- Reduce regulatory risk through the promotion of a strong compliance culture and continued high-quality client service
- Develop and maintain a sound compliance management system that is integrated into the overall framework for product design, delivery and administration (i.e., throughout the entire life cycle of the product or service)

The Board of Directors is ultimately responsible for the Company's Compliance Management Program. The Board of Directors expects management to take primary responsibility for complying with all regulations. The Board of Directors delegates responsibility for oversight of compliance policies and the Compliance Management Program to the Chief Compliance Officer.

# Policies and Statements

## Anti-Bribery and Anti-Corruption Statement

Our ethical business practices prohibit our associates from participating in bribery and accepting improper payments. We operate in compliance with all applicable regulations and laws which include the U.S. Foreign Corrupt Practices Act and similar laws that prohibit improper payments. We have a board-approved Prohibited Receipts and Payments Policy that states that no officer, director, associate, agent or attorney of First Horizon Corporation, First Horizon Bank or any of their direct or indirect subsidiaries shall corruptly solicit, demand, accept or agree to accept anything of value (excluding compensation and expenses paid in the usual course of business) for himself or herself or a third party, intending to be influenced or rewarded in connection with any transaction or business of First Horizon.

No officer, director, associate or agent of First Horizon shall directly or indirectly give or offer a bribe, kickback or similar payment or consideration to any person or entity for any reason.

## Bank Secrecy Act (BSA)/Anti-Money Laundering (AML)/Office of Foreign Assets Control (OFAC)

First Horizon is dedicated to being a trusted financial institution and combating money laundering practices. We diligently work to provide responsible, ethical banking services and verify our clients' identities to prevent any misuse of our bank. All associates are required to complete an annual BSA/AML/OFAC training. Board members also receive annual BSA/AML/OFAC training. In addition, targeted training is provided covering Fraud and Security Awareness and Commercial Loan Fraud.

The purpose of our board-approved BSA Policy and Program (which also covers AML and OFAC) is to affirm First Horizon's compliance with the related regulations through its BSA/AML/OFAC Compliance Program. The policy and program establish steps that must be taken to meet the requirements of the regulations. Key processes addressed include collecting and verifying the identify of clients for the Customer Identification Program (CIP); establishing processes for the monitoring, identification and reporting of suspicious activity and performing initial and ongoing sanctions screenings on all clients. The Enterprise Bank Secrecy Act Compliance Officer, in conjunction with the Compliance Risk Working Group, formulates the BSA Policy and Program with recommended changes as appropriate. The policy and program are reviewed at least annually and any recommended changes are approved by the Board.

## Code of Business Conduct and Ethics

The board-adopted Code of Business Conduct and Ethics outlines the overarching principles that guide the conduct of our business. Among other topics, the code covers conflicts of interest, confidentiality, insider trading, political activities and associate matters. Our Code of Business Conduct and Ethics applies to all associates, officers and directors of First Horizon and its subsidiaries and, in certain cases, to its agents and representatives as well. First Horizon has also adopted a Code of Business Conduct and Ethics for Senior Financial Officers, a Compliance and Ethics Program Policy and many other policies with specific guidance on ethical matters. Our human resources, legal, compliance and corporate security teams work together to oversee the handling of hotline submissions, Electronic Incident Reports and annual training on matters relating to these ethics codes and policies. Associates can anonymously report unethical or illegal activity in the workplace via the Ethics Hotline at 800-217-3031.

## Code of Business Conduct for Suppliers

First Horizon seeks to outperform competition fairly and has a legacy of succeeding with honest business practices and superior performance. Consistent with the First Horizon Code of Business Conduct and Ethics that sets the basic standards for associate conduct, we adopted a Code of Business Conduct for Suppliers that establishes our expectations for our suppliers (i.e., third parties that provide goods or services to First Horizon). The Code of Business Conduct for Suppliers defines our expectations for suppliers related to conducting their business legally and ethically and covers topics such as bribery, confidentiality, fair dealing, human rights, non-discrimination and harassment, recordkeeping and reporting.

## Fair and Responsible Banking and Marketing

The Company's Fair and Responsible Banking policy covers Fair Lending, marketing and UDAAP (Unfair, Deceptive, or Abusive Acts or Practices) to create a consistent and common focus on treating all clients fairly. The commitment of First Horizon is to ensure that the principles of fair and responsible banking are incorporated into its overall client business strategy. Fair Lending and UDAAP are integral parts of the Company's policies and procedures, marketing efforts and relationships with third parties involved in banking processes. The Company's management believes that this commitment to fair and responsible banking is a good and sound business practice that allows it to serve a wide range of clients and communities, which is essential to the economic vitality of its communities and the company. To fulfill its commitment to fair and responsible banking, the Company has empowered each of its officers, associates and agents to use their best personal and professional efforts and resources to continue to make meaningful services available to clients and communities on a fair and equitable basis. The Company will not tolerate noncompliance by any of its officers, associates or agents in serving its

clients and potential clients. Internal controls, system automation and monitoring by the three lines of defense are in place to ensure compliance.

Through Equal Treatment, UDAAP and basic Fair Lending concepts, it is our commitment to comply with the letter and spirit of all regulatory requirements, to be clear and transparent in all communications with our clients and to treat them fairly in all circumstances regarding consumer banking transactions. The Company is committed to a position of fairness. The Company's management believes that this commitment is a good and sound business practice that allows it to serve a wide range of clients and communities, which is essential not only to the economic vitality of its communities, but the long-term vitality of the company.

The Chief Compliance Officer is responsible for maintaining a Fair Lending Compliance Program overseen by the Fair Lending Officer that provides for a system of internal controls to assure ongoing compliance, monitoring and training for appropriate personnel. Each Line of Business is responsible for conducting transactions in compliance with the Fair Lending Laws and regulations. Line of Business Management will implement and maintain appropriate compliance procedures, training, forms and monitoring systems to ensure compliance. Line of Business Management may delegate to appropriate company officers authority to carry out that responsibility. The Board of Directors delegates authority to the Risk Committee to revise this policy to address changes in Fair Lending Laws and regulations, internal reorganization affecting the company or for such other reasons as the Risk Committee may deem appropriate.

## Firearms Statement

We continue to follow all laws, acts and applicable regulations in accordance with federal law related to the manufacturing, sale and use of firearms. We believe gun policy and the associated applicable regulations are best addressed through the cooperation of the American public and policymakers.



## Immigration Policy Statement

We also believe topics related to immigration policy are best addressed through the cooperation of the American public and policymakers. For 160 years, we have built our bank by valuing our people, standing behind our clients, strengthening our communities and being committed to fair lending practices. We have considered both the implications of providing financing to organizations that provide government-funded services in support of immigration policy along with honoring current contractual commitments to our clients. For us, good corporate citizenship includes maintaining our clients' privacy and, as such, we are not at liberty to discuss individual client business. As we move forward and consider new commitments, our decisions will continue to be guided by our evaluation process that takes into account current lending regulations as well as our business goals, values and obligations to our stakeholders.

## Political Involvement

Our Code of Business Conduct and Ethics includes the following statement on political matters: The Company is subject to certain limitations and/or prohibitions under federal and state law concerning political contributions and political activities. In addition, the Company is allowed to engage with federal, state and local officials, but may be required to register as a lobbyist when doing so, and there are restrictions on the gifts that company associates may give to government officials. Because applicable federal and state laws and regulations in this area are quite technical, company directors, officers and associates should seek the guidance of the Company's General Counsel before engaging in any political activities that involve the Company.

Certain associates may also be solicited for contributions to the First Horizon Political Action Committee (PAC). All contributions are voluntary. In general, directors, officers and associates of the Company may voluntarily choose to engage in personal political activities as long as they do so on their own time and without company resources. However, certain directors, officers and associates are subject to restrictions on their personal political activities under federal and state law or under company policies and procedures. These individuals must comply with the policies and procedures adopted by their respective business lines concerning personal political activities. The Company notifies associates who are subject to these restrictions.

Knoxville, TN



# Human Rights Statement

First Horizon respects individual human rights and is committed to creating a company environment in which everyone is treated with dignity. While we believe our government and policymakers are primarily responsible for the laws and regulations that enable the preservation and protection of human rights, our Company values and business practices support our belief that all people should be treated fairly and with respect.

## Our Commitment

Everyone will be treated without discrimination or harassment based on race, color, religion, sex, sexual orientation, gender identity, national origin, age, veteran status or disability. First Horizon and our subsidiaries are also committed to a position of lending fairness and to making meaningful services available to our clients and communities on a fair and equitable basis. Any associate who engages in unlawful activities or violates First Horizon's Code of Business Conduct and Ethics or any of the Company's policies is subject to disciplinary action, including dismissal. First Horizon honors our commitment to human rights by:

- Conducting our business in a manner that is consistent with the fundamental human rights principles described in the [United Nations Universal Declaration of Human Rights](#).
- Requiring all associates to complete Code of Business Conduct and Ethics training upon hire, and annually thereafter, and to certify upon completing each training session that they have read and understand the Code.
- Providing the Associate Handbook (including Section 3 entitled "A Matter of Principles") and the Code of Business Conduct and Ethics to all associates for annual acknowledgment.
- Deploying policies and procedures governing receipt of gratuities, conflicts of interest and affiliations with organizations other than First Horizon.
- Instituting an Environmental, Social and Governance Committee to help build stronger communities and guide our responsible business practices. The Committee meets quarterly to review, recommend and report to the Executive Management Committee and the Board of Directors on CSR and environmental, social and governance business and reputational topics.
- Protecting the privacy of client information. All associates, even after leaving the company, must comply with the policies described in our Privacy Policy.
- Establishing multiple ways for associates and clients to raise concerns, ask questions and report potential policy violations or unethical or suspicious behaviors with confidence and without fear of retaliation.
- Operating our business in accordance with all applicable lending, labor, safety, health, anti-discrimination and other diversity and inclusion workplace regulations and laws.
- Adopting a [Code of Business Conduct for Suppliers](#) that establishes our expectations for our suppliers (i.e., third parties that provide goods or services to First Horizon), consistent with the First Horizon Code of Business Conduct and Ethics that sets the basic standards for associate conduct.

# Awards and Recognition

First Horizon strives to strengthen the lives of our associates, clients and communities. We are honored to be recognized for our efforts and are especially proud to be recognized for our community service, diversity and inclusion efforts and family-friendly work environment. In 2023 and 2024, we received the following awards:

- **American Banker:** Most Powerful Women in Banking to Watch (Hope Dmuchowski)
- **American Bankers Association:** Brand Slam - Let's Find a Way (Video)
- **American Bankers Association:** Emerging Leaders (Amanda West)
- **American Business Awards:** Financial Services – Banking (Video)
- **American Heart Association:** Workplace Health Achievement (Gold Level)
- **Arkansas Money & Politics:** Most Admired Companies - Mortgage Lender
- **Ava Digital Awards:** Digital Advertising and Production
- **Bank Director Ranking Banking:** Best U.S. Banks above \$10Bn
- **Best in Biz:** PR and Media (Film or Video of the Year)
- **Best in Biz:** Website of the Year (Gold)
- **Birmingham Business Journal:** Leaders in Diversity (Dr. Anthony C. Hood)
- **Bloomberg Gender Equality Index**
- **Brand Innovators:** 40 Under 40 – Southeast Region (Nick Burgess)
- **Brandon Hall Group:** Excellence Award - Best Association Professional Development Program (Ascend II)
- **CityView:** Banking – Business
- **CityView:** Banking – Personal
- **Coalition Greenwich**
- **COLOR Magazine:** Top Chief Diversity Officer POWERLIST (Dr. Anthony C. Hood)
- **COLOR Magazine:** POWERLIST 40 Under 40 (Stanton Brown)
- **Communicator Awards:** Campaign Business-to-Consumer
- **Dallas Business Journal:** 40 Under 40 (Daniel Garcia)
- **Dave Thomas Foundation for Adoption:** Top 100 Most Adoption-Friendly Workplaces
- **DiversityComm:** Top Black Employers
- **DiversityComm Hispanic Network Magazine:** Best of the Best Top Employers
- **DiversityComm Professional Woman's Magazine:** Best of the Best Top Employers
- **DiversityComm:** U.S. Veterans Magazine - Top Veteran-Friendly Companies
- **Diversity Woman Magazine:** Power 100 (Natalie Flanders)
- **Dotcom Awards:** Website Design
- **Florida Trend:** Top 500 Influentials (Marty Lanahan)
- **Forbes Magazine:** Global 2000
- **Forbes Magazine:** World's/America's Best Banks
- **Forbes Magazine:** America's Best-in-State Banks (Alabama & Tennessee)
- **Forbes Magazine:** America's Best-In-State Employers (Tennessee)
- **Forbes Magazine:** America's Best Large Employers
- **Forbes Magazine:** America's Best Employers for Women
- **Fortune Magazine:** Fortune 1000



- **GOBanking Rates:** Best Regional Banks
- **Great Place to Work** (Certified)
- **Gulfshore Business:** Best Places to Work in Southwest FL
- **Hendersonville Standard:** Sumner County Main Street Awards - Best Bank
- **International WebAward:** Financial Services Standard of Excellence
- **IR Magazine:** Best IR by a senior management team (Small to Mid-cap)
- **IR Magazine:** Best Overall Investor Relations (Mid-cap)
- **IR Magazine:** Best Investor Relations Officer (Small to Mid-cap)
- **IR Magazine:** Best In Sector – Financials
- **Junior Achievement USA:** President's Volunteer Service Award
- **Kingsport Daily Times:** Best Bank
- **Knoxville News Sentinel:** Top Workplaces
- **MarCom Award** (Video)
- **MarCom Award** (Website)
- **Memphis Business Journal:** CFO of the Year (Hope Dmuchowski)
- **Memphis Business Journal:** Super Women in Business (Tanya Hart)
- **Memphis Business Journal:** 40 Under 40 (James Ramson)
- **Military Saves Week:** Savings Excellence Award
- **Money.com:** Best National Banks
- **Nashville Business Journal:** Power 100 (Carol Yochem)
- **New Orleans City Business:** ICON Awards (Tony Adams)
- **Parity.org Parity LIST:** Best Companies for People of Color to Advance
- **Parity.org Parity LIST:** Best Companies for Women to Advance
- **Ponte Vedra Recorder:** Best Bank
- **Ponte Vedra Recorded:** Best of the Beaches
- **Rogersville Review:** Best of the Best - Banks
- **Rogersville Review:** Best of the Best - Bank Officer
- **Savoy Magazine:** Most Influential Executives in Diversity & Inclusion (Dr. Anthony C. Hood)
- **SHRM Memphis:** HR Professional Excellence Award (Jabiana Bolden)
- **SHRM Memphis:** HR Professional of the Year Award (Ericka Young)
- **Smith Mountain Eagle:** Best of the Best Readers' Choice - Best Bank
- **Summit International Awards:** Creative (Website)
- **Summit International Awards:** Emerging Media
- **Summit International Awards:** Marketing Effectiveness (Financial Marketing)
- **Tampa Bay Business Journal:** Power 100 (Marty Lanahan)
- **The Tennessean:** Top Workplaces
- **Tri-Cities Business Journal:** 40 Under 40 (Tiffany Greer)
- **Triangle Business Journal:** 40 Under 40 (Mary Beck Skinner)
- **Vega Digital Awards:** Website - Financial Services (Gold)
- **Web Award:** Best Financial Services Websites
- **Web Excellence:** Website/Banking Services
- **Webby Awards:** Websites and Mobile Sites Best Practices
- **WebexOne Champion Awards:** Customer Experience Extraordinaire
- **Wells Fargo:** Operational Excellence Award
- **W3 Awards:** Financial Services (Website)

# SASB Index

Commercial Bank Topic	SASB ID	Accounting Metric	2023 Data	2022 Data
<b>Data Security</b>	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Not disclosed	Not disclosed
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	See client protection section on <a href="#">page 25</a>	Refer to 2021 disclosure
<b>Financial Inclusion &amp; Capacity Building</b>	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	1. 90 loans 2. \$355mm community development loans	1. 119 loans 2. \$509mm community development loans
	FN-CB-240a.2	(1) Number and (2) amount of past due and non-accrual loans qualified to programs designed to promote small business and community development	Not disclosed	Not disclosed
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked clients	Low-cost: Access Checking: 2,425 accounts The fee for this account is a flat monthly amount, with no fees charged for overdrafts Access Checking: \$5	Low-cost: Access Checking: 2,445 accounts The fee for this account is a flat monthly amount, with no fees charged for overdrafts Access Checking: \$3
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved clients	We have taught 8,047 hours in 2023. See <a href="#">page 44</a> for more on our initiatives	We have taught 6,128 hours in 2022.
<b>Incorporation of ESG Factors in Credit Analysis</b>	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	2023 <a href="#">10-K</a> table page 10	2022 <a href="#">10-K</a> table page 7
	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	First Horizon may encourage escalation and additional due diligence when underwriting requests around sectors and industries that may present environmental, social and governance risks in our lending activities, but we recognize that risk management and business selection decisions are complex.	Not currently applicable; Are considering best practice for incorporating for the future
<b>Business Ethics</b>	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations	No litigation of that type is disclosed in our current financial statements	No litigation of that type is disclosed in our current financial statements
	FN-CB-510a.2	Description of whistleblower policies and procedures	See <a href="#">code of ethics</a>	See <a href="#">code of ethics</a>
<b>Systemic Risk Management</b>	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	Page 85 of <a href="#">10-K</a> for capital risk and adequacy	Page 90 of <a href="#">10-K</a> for capital risk and adequacy
<b>Activity Metrics</b>	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Not disclosed	Not disclosed
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business and (c) corporate	Not disclosed	Not disclosed

In 2022 we merged Ability Banking and Access Checking accounts into one product.

# TCFD Index

Governance	Page number
Describe the Board's oversight of climate-related risks and opportunities	Page <a href="#">75</a>
Describe management's oversight of climate-related risks and opportunities	Page <a href="#">75</a>
Strategy	
Describe the climate-related risks and opportunities the organization has identified over the short, medium and long-term	Pages <a href="#">62 - 64</a> (partial disclosure)
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	Pages <a href="#">62 - 64</a> (partial disclosure)
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pages <a href="#">63 - 65</a> (qualitative comment around status)
Risk Management	
Describe the organization's processes for identifying and assessing climate-related risks	Page <a href="#">62</a> (early stages, engaging in conversations and analysis)
Describe the organization's processes for managing climate-related risks	Page <a href="#">79</a> (currently managed in accordance with our enterprise-wide risk appetite framework)
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	Page <a href="#">79</a> (currently managed in accordance with our enterprise-wide risk appetite framework, not separated)
Metrics And Targets	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Pages <a href="#">62 - 64</a>
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Page <a href="#">66</a> (Scope 1 & 2 only)
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Not applicable



# Appendix

## CONSOLIDATED NON-GAAP TO GAAP RECONCILIATION

Quarterly Unaudited

(\$s millions, except per share data)

		2023	2022
<b>Adjusted Diluted EPS</b>			
Net income available to common ("NIAC") (GAAP)	a	\$865	\$868
Plus Tax effected notable items (Non-GAAP) (a)		(59)	82
Adjusted Net income available to common shareholders (Non-GAAP)	b	\$806	\$950
Diluted Shares (GAAP)	c	562	566
<b>Diluted EPS (GAAP)</b>	a/c	\$1.54	\$1.53
<b>Adjusted diluted EPS (Non-GAAP)</b>	b/c	\$1.43	\$1.68
<b>Adjusted Net Income ("NI") and Adjusted Return on Assets ("ROA")</b>			
Net Income ("NI") (GAAP)		\$915	\$912
Plus Tax effected notable items (Non-GAAP) (a)		(59)	82
Adjusted NI (Non-GAAP)		\$856	\$994
NI (annualized) (GAAP)	d	\$915	\$912
Adjusted NI (annualized) (Non-GAAP)	e	\$856	\$994
Average Assets (GAAP)	f	\$81,683	\$84,217
<b>ROA (GAAP)</b>	d/f	1.12%	1.08%
<b>Adjusted ROA (Non-GAAP)</b>	e/f	1.05%	1.18%
<b>Return on Average Common Equity ("ROCE")/ Return on Average Tangible Common Equity ("ROTCE")/ Adjusted ROTCE</b>			
Net income available to common shareholders ("NIAC") (annualized) (GAAP)	g	\$865	\$868
Adjusted Net income available to common shareholders (annualized) (Non-GAAP)	h	\$806	\$950
Average Common Equity (GAAP)	i	\$7,852	\$7,348
Intangible Assets (GAAP) (b)		\$1,720	\$1,777
Average Tangible Common Equity (Non-GAAP)	j	\$6,132	\$5,571
Equity Adjustment (Non-GAAP)		81	32
Adjusted Average Tangible Common Equity (Non-GAAP)	k	\$6,213	\$5,603
<b>ROCE (GAAP)</b>	g/i	11.01%	11.81%
<b>ROTCE (Non-GAAP)</b>	g/j	14.10%	15.58%
<b>Adjusted ROTCE (Non-GAAP)</b>	h/j	12.96%	16.96%

(a) Amounts adjusted for notable items as detailed on the page 92.

(b) Includes goodwill and other intangible assets, net of amortization.

Numbers may not foot due to rounding.

## CONSOLIDATED NON-GAAP TO GAAP RECONCILIATION

Quarterly, Unaudited

(\$s in millions, except per share data)

2023 2022

### Tangible Common Equity (Non-GAAP)

(A) Total equity (GAAP)	\$9,291	\$8,547
Less: Noncontrolling interest (a)	295	295
Less: Preferred stock (a)	520	1,014
(B) Total common equity	\$8,476	\$7,238
Less: Intangible assets (GAAP) (b)	1,696	1,744
(C) Tangible common equity (Non-GAAP)	\$6,779	\$5,494

### Tangible Assets (Non-GAAP)

(D) Total assets (GAAP)	\$81,661	\$78,953
Less: Intangible assets (GAAP) (b)	1,696	1,744
(E) Tangible assets (Non-GAAP)	\$79,965	\$77,209

### Period-end Shares Outstanding

(F) Period-end shares outstanding	559	537
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### Ratios

(A)/(D) Total equity to total assets (GAAP)	11.38%	10.83%
(C)/(E) Tangible common equity to tangible assets ("TCE/TA") (Non-GAAP)	8.48%	7.12%
(B)/(F) Book value per common share (GAAP)	\$15.17	\$13.48
(C)/(F) Tangible book value per common share (Non-GAAP)	\$12.13	\$10.23

(a) Included in Total equity on the Consolidated Balance Sheet.

(b) Includes goodwill and other intangible assets, net of amortization.

Numbers may not foot due to rounding.

# Notable Items

<b>NOTABLE ITEMS</b> Quarterly, Unaudited		
(In millions)	2023	2022
<b>Summary of Notable Items:</b>		
Gain on merger termination	\$225	\$—
Net merger/acquisition/transaction-related items	(51)	(135)
Gain on mortgage servicing rights (mortgage banking and title)	—	12
Gain on sale of title services business (other noninterest income)	—	22
Gain/(loss) related to equity securities investments (other noninterest income)	(6)	16
Net gain on asset disposition (other noninterest income less incentives)	7	—
FDIC special assessment (other noninterest expense)	(68)	—
Other notable expenses *	(75)	(22)
<b>Total notable items (pre-tax)</b>	<b>33</b>	<b>(107)</b>
<b>Tax-related notable items **</b>	<b>35</b>	<b>—</b>

Numbers may not foot due to rounding

\*2023 includes \$50 million contributed to First Horizon Foundation, \$15 million of Visa derivative valuation expense, and \$10 million of restructuring expense; 2022 includes \$22 million of Visa derivative valuation expense.

\*\*2023 includes after-tax benefits of \$48 million primarily from the resolution of IBERIABANK merger-related tax items and \$11 million benefit from merger-related items, partially offset by \$24 million related to the surrender of approximately \$214 million in book value of bank owned life insurance policies.

<b>IMPACT OF NOTABLE ITEMS</b> Quarterly, Unaudited		
(In millions)	2023	2022
Impacts of Notable Items:		
<b>Noninterest income:</b>		
Mortgage banking and title	\$—	\$(12)
Gain on merger termination	(225)	—
Other noninterest income	(4)	(38)
<b>Total noninterest income</b>	<b>\$(229)</b>	<b>\$(51)</b>
<b>Noninterest expense:</b>		
Personnel expenses:		
Salaries and benefits	\$(4)	\$(2)
Incentives and commissions	(49)	(76)
Deferred compensation expense	—	—
<b>Total personnel expenses</b>	<b>(52)</b>	<b>(77)</b>
Occupancy and equipment	—	(2)
Outside services	(7)	(42)
Amortization of intangible assets	—	(3)
Other noninterest expense	(136)	(33)
<b>Total noninterest expense</b>	<b>\$(196)</b>	<b>\$(158)</b>
Income before income taxes	\$(33)	\$107
Provision for income taxes *	26	25
Net income/(loss) available to common shareholders	\$(59)	\$82
<b>EPS impact of notable items</b>	<b>\$(0.11)</b>	<b>\$0.15</b>

Numbers may not foot due to rounding

\*2023 includes after-tax benefits of \$48 million primarily from the resolution of IBERIABANK merger-related tax items and \$11 million benefit from merger-related items, partially offset by \$24 million related to the surrender of approximately \$214 million in book value of bank owned life insurance policies.



# Forward Looking Statements

This report, including materials incorporated into it, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal laws with respect to First Horizon's beliefs, plans, goals, expectations, and estimates. Forward-looking statements are not a representation of historical information, but instead pertain to future operations, strategies, financial results or other developments. The words "believe," "expect," "anticipate," "intend," "estimate," "should," "is likely," "will," "going forward," and other expressions that indicate future events and trends identify forward-looking statements.

Forward-looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, operational, economic, and competitive uncertainties and contingencies, many of which are beyond First Horizon's control, and many of which, with respect to future business decisions and actions (including acquisitions and divestitures), are subject to change. Examples of uncertainties and contingencies include, among other important factors: global, general and local economic and business conditions, including economic recession or depression; the stability or volatility of values and activity in the residential housing and commercial real estate markets; potential requirements for First Horizon to repurchase, or compensate for losses from, previously sold or securitized mortgages or securities based on such mortgages; potential claims alleging mortgage servicing failures, individually, on a class basis, or as master servicer of securitized loans; potential claims relating to participation in government programs, especially lending or other financial services programs; expectations of and actual timing and amount of interest rate movements, including the slope and shape of the yield curve, which can have a significant impact on a financial services institution; market and monetary fluctuations, including fluctuations in mortgage markets; the financial condition of borrowers and other counterparties; competition within and outside the financial services industry; the occurrence of natural or man-made disasters, global pandemics, conflicts, or terrorist attacks, or other adverse external events; effectiveness and cost-efficiency of First Horizon's hedging practices; fraud, theft, or other incursions through conventional, electronic, or other means directly or indirectly affecting First Horizon or its clients, business counterparties, or competitors; the ability to adapt

products and services to changing industry standards and client preferences; risks inherent in originating, selling, servicing, and holding loans and loan-based assets, including prepayment risks, pricing concessions, fluctuation in U.S. housing and other real estate prices, fluctuation of collateral values, and changes in client profiles; the changes in the regulation of the U.S. financial services industry; changes in laws, regulations, and administrative actions, including executive orders, whether or not specific to the financial services industry; changes in accounting policies, standards, and interpretations; evolving capital and liquidity standards under applicable regulatory rules; accounting policies and processes that require management to make estimates about matters that are uncertain; reputational risk and potential adverse reactions or changes to business or employee relationships; and other factors that may affect future results of First Horizon.

First Horizon assumes no obligation to update or revise any forward-looking statements that are made in this report or in any other statement, release, report, or filing from time to time. Actual results could differ and expectations could change, possibly materially, because of one or more factors, including those factors listed above or presented elsewhere in this report, or in those factors listed in material incorporated by reference into this report. In evaluating forward-looking statements and assessing our prospects, readers of this report should carefully consider the factors mentioned above along with the additional risk factors discussed in: Item 2 of Part I, and Item 1A of Part II of First Horizon's most recent Quarterly Report on Form 10-Q; and in the forepart, and in Items 1, 1A, and 7, of First Horizon's most recent Annual Report on Form 10-K, among others. Those Reports have been filed with the Securities and Exchange Commission ("SEC") and are publicly available at [www.sec.gov](http://www.sec.gov) as well as on First Horizon's website at SEC Filings - First Horizon Corporation.

In addition, First Horizon cautions readers that this is not a financial report. Neither this report nor the information presented in it are audited or reviewed by any independent person or firm. Although First Horizon strives to present information accurately in this report, this report is not subject to the same internal controls or disclosure controls as annual or quarterly financial reports. Moreover, this report deals with First Horizon only, not with its suppliers, contractors, or business partners, unless this report explicitly provides otherwise.



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