



# CITY HOLDING COMPANY'S

## Environmental & Climate Risk Policies

**City**  
NATIONAL BANK

[BANK AT CITY.COM](https://www.bankatcity.com)

# ENVIRONMENTAL POLICY STATEMENT

## CITY HOLDING COMPANY'S COMMITMENT TO THE ENVIRONMENT

City Holding Company (“City”) believes that a healthy, sustainable future requires environmental stewardship, and is committed to increasing our environmental performance and reducing our carbon footprint. Led by the Board of Directors, CEO and Executive Management, we make this commitment to serve our shareholders, communities, and employees, by doing what we can to keep our environment healthy and sustainable. City believes all people deserve equal access to clean air, water, and a safe and healthy environment. We are committed to reducing our corporate carbon footprint and addressing the environmental challenges faced by our communities. Our environmental stewardship efforts align with and support well-recognized and respected frameworks and guidance. We support the American Bankers’ Association’s statement that, “America’s banks recognize the global challenge posed by climate change... [we look to] engage with policy makers to find common sense, market based solutions to these issues. By joining together with our industry peers in this effort, we can ensure that our member banks can participate in the transition in ways that make the most sense for their businesses, their customers and their communities.”<sup>1</sup>

### ADDRESSING CLIMATE CHANGE

City recognizes that addressing climate change is important to our customers, shareholders, and employees. Over the past several years, we have been successful in our energy conservation and sustainability efforts, including: reducing our energy consumption, increasing our use of renewable energy, reducing paper, eliminating single-use plastics, and managing our risks associated with environmental performance. We have more to do and we are committed to achieving our environmental objectives. Our commitment to reducing the impact of climate change includes the following actions:

- *Incorporating environmental goals into the methods we use to build and renovate our buildings;*
- *Standardizing equipment efficiency standards across our footprint;*
- *Increasing our equipment’s ENERGY STAR scores for City facilities;*
- *Working to measure and monitor environmental performance;*
- *Engaging and educating City employees on sustainability on a continuing basis;*
- *Continuing our ongoing project to reduce paper consumption by encouraging employees to print less and offering paperless alternatives to customers;*
- *Continuing to promote employee ride-share efforts; and*
- *Continuing to implement recycling programs throughout City facilities.*

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<sup>1</sup> Rob Nichols, President and CEO of the American Bankers’ Association, February 8, 2021.

## **ADDRESSING CLIMATE RISK**

City acknowledges the focused effort that will be required to address climate risk, and commits to the following actions:

- *City's Board of Directors will monitor shareholder demands related to climate change and will provide oversight of our strategy around ESG program strategy and alignment;*
- *City's CEO and Executive Leadership Team will provide strategic direction for our environmental footprint reduction programs and will drive accountability throughout the organization; and*
- *City's Executive Leadership Team will continue to ensure successful implementation of energy reduction efforts, utilizing industry best practices, and identifying areas of additional opportunity for City.*

## **APPROACH TO SUSTAINABLE PROCUREMENT**

As part of City's commitment to reducing emissions throughout our footprint, City's Vendor Management Team regularly evaluates potential service providers for their ESG commitments and ability to positively impact our operations. We encourage our service providers to also help to protect their people and the planet in their work and at their facilities. With respect to our facilities, we continue to increase our use of environmentally sustainable products to ensure we provide safe and healthy spaces for our employees and customers. We have integrated greener product selections, and have worked towards better energy and water efficiency.

Other sustainable initiatives led by our Executive Leadership Team include:

- *Where appropriate, evaluate reuse of existing structures and infrastructure for reuse as retail branches compared with demolition and rebuilding;*
- *Utilization of exterior materials, such as masonry and glass, for retail branches which are durable and nontoxic, the majority of which are sourced regionally; and*
- *Use of efficient LED lighting.*

We also work with our cleaning service providers to demonstrate a commitment to the environment.

## **TRANSPERANCY AND ACCOUNTABILITY**

City recognizes this Environmental Policy Statement as the first step toward an expanding commitment for environmental responsibility. Climate change is a serious issue, and we are committed to doing our part on the journey to manage and mitigate our company's environmental impact. Our objectives are to create awareness about our environmental commitments among our employees and be transparent and accountable to shareholders for our progress over time.

To achieve these objectives, we will ensure that this Policy Statement is implemented throughout our organization by creating awareness of our initiatives to our employees.

City's commitment to environmental sustainability practices, which lower our carbon footprint and reduce our impacts on climate change, is part of our culture of making people's lives better and strengthening the communities we serve. We value the trust and confidence of our employees, customers, and shareholders, and pledge to make progress on our environmental sustainability journey.



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# CLIMATE RISK POLICY STATEMENT

## INTRODUCTION

City Holding Company (“City”) acknowledges that climate change is an important issue, and, with a forward-looking, forward-thinking mindset, we support efforts to minimize climate change today, tomorrow, and for years to come. We believe climate change provides risks and opportunities for our business, and we are acting strategically to integrate climate-related insights into our decision-making.

## CLIMATE RISK

City defines climate risk as the actual or potential threat of adverse effects on its financial ecosystem including: customers, employees, shareholders, and communities. Over time, these climate impacts (greenhouse gas emissions, waste, resource depletion) may pose a material risk to the sustainability of City’s operational, business activities, and geographic marketplace resiliency.

We believe the current and future impacts of adverse environmental events on our company and its shareholders require full institutional engagement in the timely identification, assessment, and management of climate-related risks.

## APPROACH TO RISK MANAGEMENT

Our approach to climate risk management is to understand our risks, manage those risks, and communicate them effectively.

1. Our Company’s board-level committee framework includes an Audit Committee. Appointees to Audit have specific financial industry, legal, or other relevant risk management experience, and have oversight responsibilities for City’s current and prospective risk-taking activities.
2. We have a formal Risk Management Committee made up of key senior leaders.
3. We strive to be fully compliant with laws and regulations and build processes and controls to promptly identify and correct potential issues.
4. We diligently review third party vendors and associated risks.
5. We maintain a well-developed business continuity plan to operate in a business as usual manner during unexpected issues or natural disasters.

City believes that risk management is a process of continuous improvement and we will continuously consider environmental impacts.



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