Financed Emissions Update

Raise Your Expectations®

A Disclosure of Scope 3 Category 15
Greenhouse Gas Emissions for 2023

Comerica Bank®

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Comerica cautions that the foregoing list of factors is not all-inclusive. For discussion of factors that may cause actual results to differ from expectations, please refer to our filings with the Securities & Exchange Commission. In particular, please refer to “Item 1A. Risk Factors” beginning on page 14 of Comerica's Annual Report on Form 10-K for the year ended December 31, 2023. Forward-looking statements speak only as of the date they are made. Comerica does not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. For any forward-looking statements made in this report or in any documents, Comerica claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Financed Emissions

This document serves as an update to our previous finance-related greenhouse gas emissions (GHG) and financed emissions disclosure provided as part of our **2023 TCFD Report** (which includes our 2022 financed emissions data) and an expansion of the 2023 financed emissions information provided in our **2023 Comerica Corporate Responsibility Report**.

2023 Financed Emissions Update

In 2020, Comerica joined the Partnership for Carbon Accounting Financials (PCAF). In line with this commitment, we continue to evaluate the accessibility, availability and accuracy of data inputs needed to utilize the PCAF methodology for financed emissions calculations and improve our associated disclosure. Comerica has elected to use the PCAF methodology for the calculation of financed emissions based on the alignment of data availability and calculation methodologies that reflect our asset mix.

Given the significance of Comerica's commercial lending operations, we have focused our efforts on the Business Loans and Unlisted Equity asset class, as this represents a significant portion of our total loan portfolio. Over time, we envision adding additional asset classes to our financed emissions disclosure as our data options improve and as PCAF adds additional classes of assets to their methodologies.

For transparency, we have elected to disclose not only the emissions associated with more commonly reported GHG-intensive industries, but our entire business loan portfolio on an absolute and intensity basis. Our financed emissions are provided at the two-digit North American Industry Classification System (NAICS) industry code level, providing insights into 24 different sectors.

DISCLOSURE SUMMARY	
2023 current emissions reporting year	**2019** base year
5 PCAF data quality score	**Business Loans** asset class included in emissions estimate

PCAF Asset Classes	Percentage of Assets Covered in Emissions Estimate	Comments
Business Loans and Unlisted Equity	92% of total loans	Our financed emissions estimate is generally consistent with our commercial loan portfolio, which accounted for over 92% of Comerica's total loan portfolio at December 31, 2023, and 56% of Comerica's total assets for the same period.
Project Finance	Currently included in Business Loans asset class emissions estimate	For 2023, we did not have the data available to calculate our Project Finance-related lending separate from other business loans. Therefore, those related loans outstanding are currently considered within the Business Loans emissions estimate.
Commercial Real Estate	Currently included in Business Loans asset class emissions estimate	For 2023, we did not have the data available to calculate our Commercial Real Estate-related lending separate from other business loans. Therefore, those related loans outstanding are currently considered within the Business Loans emissions estimate.
Listed Equity and Corporate Bonds, Mortgages, Motor Vehicle Loans and Sovereign Debt	0%	We have not yet evaluated emissions associated with these asset classes since the commercial loan portfolio (shared in the Business Loans asset class estimate) accounted for over 92% of our total loan portfolio and 56% of Comerica's total assets at December 31, 2023.

In addition, we have provided disclosures based on our current reporting year (2023) and prior years back to 2019. This allows us to see how financed emissions have varied in recent years along with the size and mix of our portfolio.

For more information on how we deployed the PCAF methodology, along with associated exclusions and limitations, see the **Financed Emissions Methodology** section.

Breakdowns of Scope 1, 2 and 3 emissions (in addition to financed emissions) are provided in the 2023 Corporate Responsibility Report **Key Metrics Table**.

Financed Emissions – Business Loans Asset Class

2023 – Business Loans Asset Class – Commercial Loan Portfolio								
NAICS 2-Digit Sector Code	NAICS 2-digit Sector Description	Loans Outstanding ($ in millions)		Scope 1 + 2 Absolute Emissions (tCO2e)	Scope 3 Absolute Emissions (tCO2e)[1]	Total Absolute Emissions (tCO2e)	Total Emissions Intensity (tCO2e/ $ in millions Outstanding)	Data Quality Score
11	Agriculture, Forestry, Fishing and Hunting	$	105	196,490	60,284	256,774	2,445	5
21	Mining, Quarrying and Oil and Gas Extraction	$	1,326	1,385,258	796,793	2,182,051	1,646	5
22	Utilities	$	562	1,126,814	105,733	1,232,547	2,193	5
23	Construction	$	4,450	125,829	907,632	1,033,461	232	5
31	Manufacturing (Food & Beverage, Textiles)	$	1,038	99,609	355,935	455,544	439	5
32	Manufacturing (Wood, Paper, Chemicals, Plastics)	$	1,167	258,466	293,467	551,933	473	5
33	Manufacturing (Metal, Machinery, Electronics, Furniture)	$	2,750	549,638	748,180	1,297,818	472	5
42	Wholesale Trade	$	3,460	54,727	377,008	431,735	125	5
44	Retail Trade (Specialized Merchandise)	$	5,898	93,303	642,749	736,052	125	5
45	Retail Trade (General Merchandise)	$	162	2,563	17,654	20,217	125	5
48	Transportation and Warehousing (Air, Rail, Ground, Pipeline)	$	1,023	246,163	96,183	342,346	335	5
49	Transportation and Warehousing (Postal, Warehousing)	$	49	10,135	4,216	14,351	293	5
51	Information	$	1,593	29,052	49,646	78,698	49	5
52	Finance and Insurance	$	3,573	1,177	10,504	11,681	3	5
53	Real Estate and Rental and Leasing	$	9,793	3,227	28,796	32,023	3	5
54	Professional, Scientific, and Technical Services	$	1,135	410	3,405	3,815	3	5
55	Management of Companies and Enterprises	$	3,770	1,242	11,086	12,328	3	5
56	Administrative and Support and Waste Management and Remediation Services	$	1,885	55,859	67,720	123,579	66	5
61	Educational Services	$	128	1,719	3,591	5,310	41	5
62	Health Care and Social Assistance	$	1,175	15,831	33,077	48,908	42	5
71	Arts, Entertainment, and Recreation	$	1,036	12,066	25,534	37,600	36	5
72	Accommodation and Food Services	$	854	13,517	93,118	106,635	125	5
81	Other Services (except Public Administration)	$	488	16,433	25,707	42,140	86	5
92	Public Administration	$	17	222	465	687	40	5
Total		**$**	**47,437**	**4,299,750**	**4,758,483**	**9,058,233**	**191**	**5**

To review the financed emissions methodology in more detail, see the **Financed Emissions Methodology** section.

[1] Scope 3 emissions total does not include downstream Scope 3 emissions.

2019-2023 Financed Emissions Totals Business Loans Asset Class – Commercial Loan Portfolio	
Year	**Metric tons CO2e**
2019	10,862,285
2020	8,808,850
2021	8,385,946
2022	9,571,941
2023	9,058,233

As this portfolio represents our lending to commercial and industrial customers for a business-focused bank, our financed emissions intensity may appear larger than some banks that are focused more on retail customers or have significant business operations for which financed emissions methodologies do not yet exist (e.g., credit cards).

Deeper insights will be available in the future as the data quality scores improve and methodologies and emissions data has more certainty. In the interim, we expect the data to be quite variable. Data trends, observations and comparisons should be approached with significant caution as future refinements may dramatically alter results.

Nevertheless, we continue to feel there is significant value in assessing and disclosing financed emissions even using nascent methodologies and data with a degree of uncertainty. Working through the PCAF methodology has provided us with valuable insights into our commercial lending portfolio and allows us to prioritize future improvements in data quality in advance of potential regulatory reporting. Additionally, this work is expected to support further assessments of both climate-related risks and opportunities as we work to support our customers' needs in a greening economy in line with Comerica's climate change commitment.

Financed Emissions Methodology

Scope of Estimate

For our 2023 financed emissions estimate, we followed the PCAF Global GHG Accounting & Reporting Standard Part A (2022) and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We focused our emissions estimate on the Business Loans & Unlisted Equity Asset Class, which is generally consistent with Comerica's commercial loan portfolio and accounted for over 92% of Comerica's total loan portfolio as of December 31, 2023.

We expect these Scope 3 emissions estimates will continue to vary over time as data quality and methodologies continue to change and evolve. For more details on our overall GHG emissions progress, review our most recent **CDP Response** and our most recent **Corporate Responsibility Report**.

Methodology

Comerica's Financed Emissions/Sustainable Portfolio team consists of colleagues from Corporate Sustainability, Credit and Finance. This team has been working to develop our PCAF calculation procedures, calculate our financed emissions and evaluate data accessibility and automation needs to improve our data quality score over time. This team meets regularly and has been evaluating data availability and future needs for the following asset classes: Business Loans and Unlisted Equity, Commercial Real Estate and Project Finance. Comerica also co-chairs the PCAF organization's Business Loans asset class user group to support further PCAF guidance development, reflecting Comerica's commitment to supporting an industry-wide approach to disclosure.

Given the current limited availability of accessible customer financial and/or emissions data, Comerica's disclosure has a data quality score of 5 (emission factors for the sector per unit of asset). Data quality scores of 5 utilize general financial information and industry-level estimates of emissions. Estimated emissions were based on sector-level average emission factors for the United States from the PCAF emissions factor database (values available at year-end 2023).

Calculation

Our calculation uses the net book balance (unpaid principal balance net of charge-offs) as a proxy for PCAF's outstanding amount definition. Using the net book balance of each NAICS industry code, we calculate the emissions using the relevant PCAF emission factors. Each NAICS code was mapped to the relevant EXIOBASE sector-level average emission factor. When applicable, we converted outdated NAICS codes to the most relevant NAICS 2017 code.

Financed Emissions = Σ Outstanding amount X PCAF Emission Factor

Emission Factor	Value	EXIOBASE Base Year and Version	Source
Emission intensity per $ in Million of assets	Varies by sector	2019; vers. 3.9[2]	PCAF Emission Factor Database for Business Loans and Unlisted Equity

[2] Uploaded to PCAF emission factor database in 2023.

The PCAF Emission Factor Database utilizes emission factors from the Environmentally-Extended Input Output (EEIO) database EXIOBASE. Emission factors were expressed in tCO2e/million Euro of revenue per sector and country. Emission factors were updated to consider both monetary inflation and currency conversion to U.S. dollars using guidance provided by PCAF. Inflation was measured using the U.S. Bureau of Labor Statistics Consumer Price Index (CPI) and currency conversions used the spot market currency exchange rate at calendar year-end using the exchange rates Euro to U.S. dollars provided by the European Central Bank.

Base Year Recalculation Approach

Comerica established a baseline recalculation approach to define when a base year financed emissions recalculation would be necessary to ensure the consistency, comparability and relevance of the reported GHG emissions data over time. Through that work, we have determined that a structural change resulting in a 5% difference in the emissions total for the base year would trigger a base year emissions recalculation. That change could be related to a change in emissions boundary, inventory, data sources, methodology and/or discovery of significant data or calculation errors. We may deem that a change in base year would be more appropriate than to change the existing base year emissions if the quality of the base year data would not allow for comparability to more recent data years. If that occurs, we will make note of changes to this approach.

In 2023, PCAF made significant revisions to their emission factor database and how their economic-based emissions factors are adjusted for currency and inflation conversions. As a result of these changes, we made a revision of our base year to reflect those changes, resulting in our new 2019 base year. We provided restatements of the 2019-2022 financed emissions numbers using the U.S.-based sector level emissions factors. Please refer to our **current GHG emissions verification declaration** for these restated numbers from 2019-2022 and our current 2023 emissions totals.

Emissions Verification

As part of our emissions calculation process, we also had our current and previous years' financed emissions estimates verified to a limited assurance level using ISO 14064-3. A copy of **Comerica's emissions verification** covering years 2019-2023 can be found on Comerica's website.

Exclusions and Limitations

Based on challenges of data availability, data quality and resource limitations, note the following exclusions and limitations to this disclosure:

- Commercial loans in which NAICS industry code information was not available, including loans and payments in process, were excluded from the calculation. For reference, the remaining population included in the emissions estimate represented approximately 99% of Comerica's total commercial loan portfolio as of December 31, 2023.
- The unlisted equity portion of the asset class is not significant to Comerica's balances and was therefore excluded from the emissions estimate.
- As part of our calculation process, we removed personal purpose loans (PPLs) from our dataset as they were not reflective of business loans under the PCAF methodology. These specific loans were backed out of the net book balance (loans outstanding proxy) and are not included in the 2019-2023 emissions estimates. We have provided this historical data to give additional context to changes in our portfolio over time and any such inclusions would represent a small portion of the total balances (for 2023, PPLs included in the commercial loan data only accounted for 1% prior to removal from the dataset).
- We used emission factors for country-level sector averages, as opposed to regional-level sector averages as recommended by PCAF. Since a significant majority of our lending is in the United States, we believe that the regional-level emission factor (Advanced Economies) would dilute our emissions estimate. The Advanced Economies region covers 39 countries, many of which are in Europe. Therefore, we decided to use the U.S. specific emission factors for this calculation.
- PCAF emission factors do not include Scope 3 downstream. Therefore, our financed emissions estimate only covers Scope 1, Scope 2 and Scope 3 upstream emissions for our customers' operations. Inclusion of Scope 3 downstream emissions would be significant for certain industries such as energy and transportation where the use of the product represents a significant source of emissions.
- The data obtained from our loan system and used in our calculation reflect the primary NAICS code identified for a customer's operation. However, a limitation of this approach is that the primary NAICS code may not represent 100% of a customer's operation.

Overall, we recognize that financed emissions disclosures remain nascent. As such, the comparability of Comerica's data with any other financial institution is very limited and influenced by factors such as methodology, data quality score, business lines/portfolios disclosed and the overall business models deployed by individual institutions. We expect this to improve over time but caution against any such comparisons in the near term.