



BAYFIRST FINANCIAL CORPORATION



BAYFIRST

ESG REPORT
FINANCIAL YEAR 2022

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A WORD FROM OUR CEO



I am pleased to present BayFirst's 2022 Environmental, Social, and Governance (ESG) Report, outlining the Bank's commitment to environmental preservation, social inclusivity, and strong governance practices and highlighting our progress, achievements, and goals in each area.

Through our focus on responsible banking practices, sustainable growth, and the integration of ESG principles into our core business operations, we continue to create long-term value for our stakeholders, employees and the communities we serve.

Anthony N. Leo

Chief Executive Officer

INTRODUCTION

BAYFIRST



ABOUT BAYFIRST

BayFirst Financial Corp. (henceforth BayFirst) is the holding company of BayFirst National Bank, a national banking association headquartered in St. Petersburg, FL. As of December 31, 2022, BayFirst operated eight banking centers in the Tampa Bay area, with five additional locations in various phases of construction.

As one of the premier financial institutions in the Tampa Bay area, BayFirst offers a full range of personal banking products, including checking and savings accounts, personal loans, and investment services. It also provides residential mortgages and business banking locally, plus Small Business Administration (SBA) loans nationwide, originated through its government guaranteed lending division, CreditBench, which is one of the top producing teams in the country.

BayFirst is committed to being progressive in its products and services, technology, design, and social responsibility, measuring its success by how well it serves and supports its customers, community and employees. As such, it pursues initiatives that advance its evolution in each of these areas, concentrating on key strategic initiatives that include meeting the customer on their terms, focusing on technological innovation, leveraging its commitment to social responsibility as a differentiator, and highlighting the efforts that earned the Organization the title of one of Tampa Bay's Best Places to Work in 2022.

**\$938.9
MILLION**

In total assets
as of December 31, 2022

299

BayFirst employees
committed to being Here
for What's Next® in our
customers' financial
journey.

Across the Tampa Bay
Region as of December 31,
2022.

In total loans as of
December 31, 2022

OUR COMMUNITY. OUR RESPONSIBILITY.

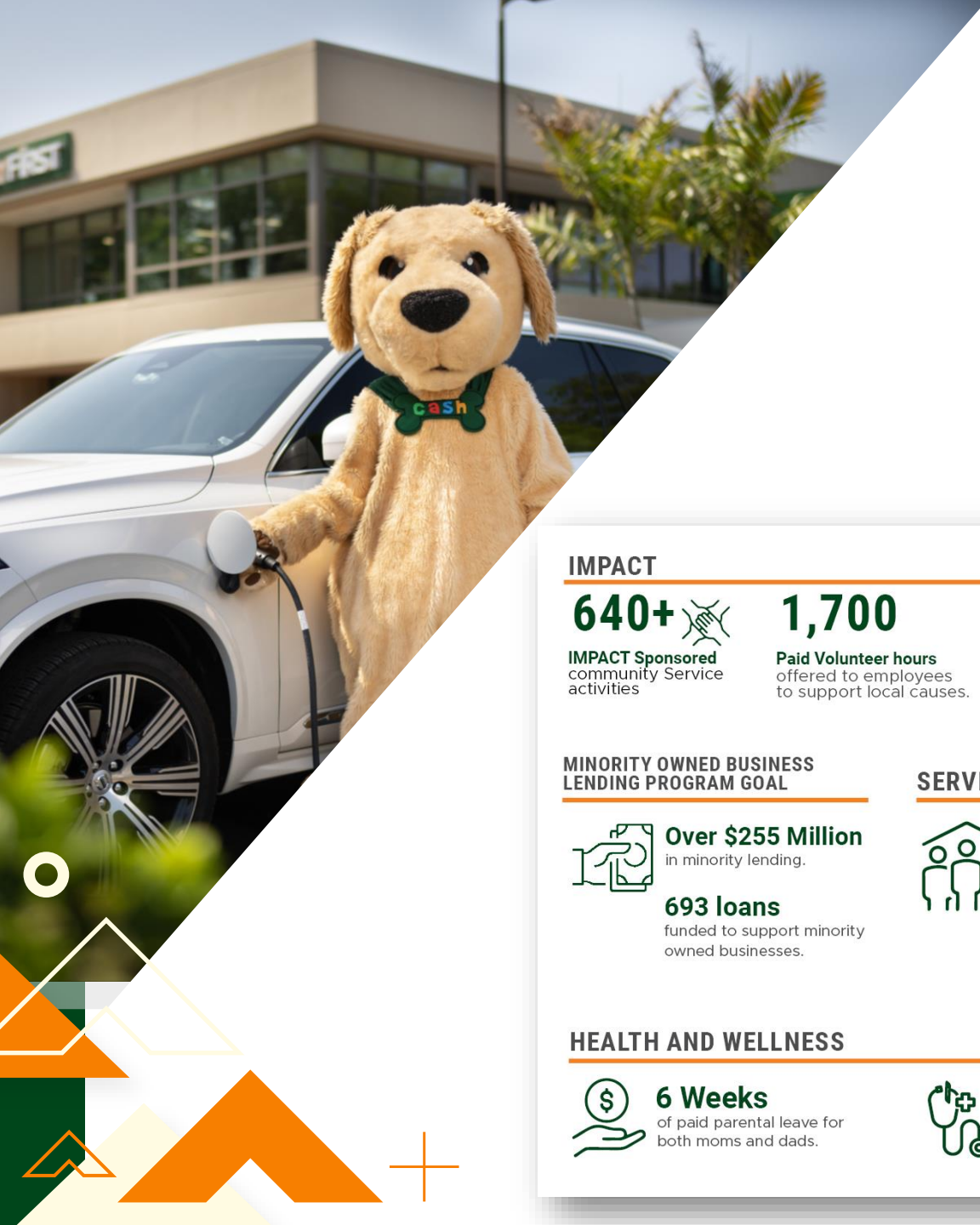
At BayFirst, responsible banking means more than minimizing risk. As both a community bank and a nationwide lender, BayFirst knows that every action it takes has a ripple effect on the world around it. As such, it adheres to the highest Environmental, Social, and Governance (ESG) standards, which guide it in its pursuit of responsible growth and in its efforts to align practices, programs, and initiatives with the vision society has for the future.

ESG IMPACT

BayFirst's Environmental, Social and Governance (ESG) impacts for the fiscal year of 2022 (FY2022), which comprises the period from January 1, 2022, to December 31, 2022, follow. Each was calculated by measuring results captured year over year to track the progress of ESG related activities and initiatives over time.

Impacts are the direct result of BayFirst commitment to continued development of and adherence to the Organization's ESG standards, which focus on the areas of Environmental Sustainability; Social Responsibility, Diversity, Equity and Inclusion; Community Engagement; Employee/Workforce Management and Well Being; and Governance and Transparency.

This report is in line with common sustainability reporting frameworks such as Global Reporting Initiative (GRI), Climate Disclosure Projects (CDP), Sustainability Accounting Standards Board (SASB) and Task Force on Climate related Financial Disclosures (TCFD), among others. It satisfies the sustainability reporting requirements for the Nasdaq and is intended to communicate BayFirst's key achievements, practices, and management approaches to customers, community members, employees and stakeholders.



2022 ESG HIGHLIGHTS.

IMPACT

640+ 

IMPACT Sponsored
community Service
activities

1,700

Paid Volunteer hours
offered to employees
to support local causes.

175

**Training & Community
Organization Partnerships**
for business owners &
community groups.

Over \$430,000

in donations, charitable
contributions, and community
event sponsorships.

EQUAL PAY OPPORTUNITY

\$1

to \$1 Gender Pay
equity across the
organization.



MINORITY OWNED BUSINESS LENDING PROGRAM GOAL



Over \$255 Million
in minority lending.

693 loans

funded to support minority
owned businesses.

SERVING THE UNDERSERVED



Over \$800,000

in funding to build affordable
housing in Newtown.

DIVERSITY, EQUITY AND INCLUSION



\$18

Minimum Wage
established.

23%

**Board Member
Diversity** of BayFirst
Financial Corp.

ENVIRONMENTAL



100%

Carbon-Neutral
banking centers.



100%

Banking Centers
equipped with car
charging stations.

HEALTH AND WELLNESS



6 Weeks

of paid parental leave for
both moms and dads.



Silver Level Designation
recipient of the Cigna Healthy
Workforce 2022.

SBA STATISTICS

#1

SBA 7(a) Lender

in Tampa Bay for
SBA fiscal year.

COMMUNITY BANKING STATISTICS

10%

Increase

in checking & savings
balances.



SCOPE

BayFirst assessed and disclosed environmental, social, and governance impacts for its buildings and operations.

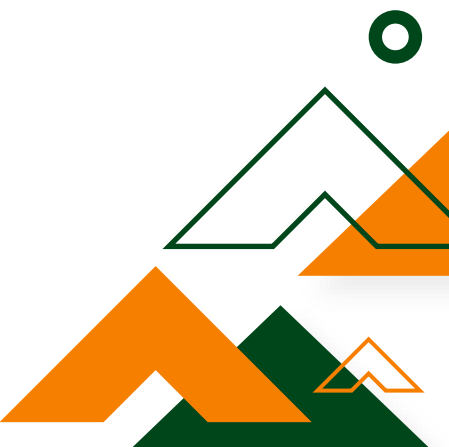
Environmental indicators covered include:

- GHG emissions, scope 1 and 2
- Energy Management
- Water Use
- Waste Generation

Social indicators covered include:

- Access & Affordability
- Diversity & Inclusion
- Employee Engagement & Training
- Development of Additional Employee Resources

Governance indicators covered include:

- Financial Inclusion
 - Business Ethics
 - System Risk Management
 - Data Security
- 

1. Review Topics

BayFirst reviews material ESG topics, referencing proven sustainability frameworks as well as Nasdaq's ESG reporting requirements.

2. Consult Stakeholders

BayFirst consults with stakeholders and internal experts (e.g. facility managers, human resource representatives, community engagement officers, and internal learning and development staff).

3. Finalize Findings

BayFirst completes calculations, conducts year over year comparison, and identifies both achievements and areas in need of further improvement before finalizing the annual ESG report.

METHODOLOGY

ESG Materiality: Process Overview

METHODOLOGY

DATA CONSOLIDATION AND CALCULATION

BayFirst's ESG performance is measured using quantitative and qualitative metrics identified using SASB and GRI, Nasdaq ESG reporting requirements. This report includes data from all business units, subsidiaries and operations controlled by BayFirst.

BayFirst utilized site location records, fuel and electricity data, water use data, and waste data. Based on the information provided, the data covers **100%** of the sites' full-time and part-time employees as well as **100%** of office and parking related floor area.

- Calculated Scope 1 emissions from fuel usage for vehicles.
- Calculated Scope 2 emissions from electricity consumption data.

The Greenhouse Gas Protocol methodology for compiling GHG data is used to assess carbon footprint. This includes the following material GHGs: CO₂ (carbon dioxide), N₂O (nitrous oxide) and CH₄ (methane). The following emission conversion factor sources are used in calculations:

- Fuel usage: EPA 2022
- Purchased electricity: EPA 2022

All commentary and metrics in the social and governance sections of this report were provided by BayFirst. No calculations were required to compile these metrics.

ENVIRONMENTAL IMPACT

BAYFIRST



ENVIRONMENTAL IMPACT

GREENHOUSE GAS EMISSIONS

BayFirst is committed to doing its part to protect the planet we all share and recognizes that climate change presents the greatest challenge. Accordingly, the Organization undertakes numerous initiatives encouraging energy efficiency and sustainability to ensure it is the best steward of the environment.

The following FY2022 environmental impacts are described in absolute terms and in intensity terms by revenues (95.8 mUSD) and by employees (299). The intensities of GHG emissions normalized by revenue and total employees were 3.95 tCO₂e/mUSD and 1.27 tCO₂e/employee, respectively.

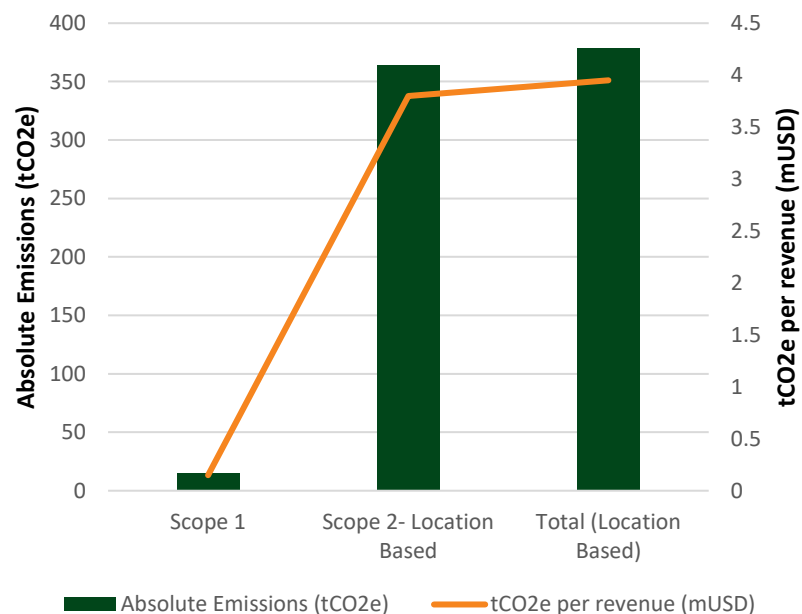


ENVIRONMENTAL IMPACT

DIRECT & INDIRECT OPERATIONAL GREENHOUSE GAS EMISSIONS FOR BAYFIRST, FY2022

SCOPE	Emissions (tCO ₂ e)	Contribution %	tCO ₂ e per revenue (mUSD)	tCO ₂ e per employee
Scope 1	14.7	4%	0.15	0.05
Scope 2 - Location Based	364.0	96%	3.80	1.22
Total (Location Based)	378.7	100%	3.95	1.27

GHG EMISSIONS ABSOLUTE AND INTENSITY VALUES, FY2022



Direct (Scope 1) GHG Emissions

Direct emissions are GHG emissions from organizational operations (or scope 1) derived from propane, diesel, natural gas consumption for boiler, gas turbine, diesel generators, owned transportation and refrigeration processes. BayFirst's scope 1 emissions are from fuel usage in owned vehicles and is in magnitude of 14.7 tCO₂e.

Indirect (Scope 2) GHG Emissions

The second component of BayFirst National Bank's GHG emissions relates to indirect (or scope 2) emissions from the consumption of purchased electricity. BayFirst's scope 2 emissions (location-based) during FY2022 were 364 tCO₂e. 100% of the electricity was purchased from the grid.



ENVIRONMENTAL IMPACT

ENERGY USE AND EFFICIENCIES / WATER USE



ENERGY USE

The total electricity consumed at BayFirst during FY2022 was 841,176 KWh. Two company-owned vehicles consumed 6,260 liters of petrol in FY 2022.

In 2022, the Organization reached its goal of an EnergyStar rating of 75 for all buildings, the highest rating achievable. It also achieved LEED certification in five banking centers, with three earning Gold status and two in final review. It also reached and maintained 100% carbon neutrality at all eight of its banking centers.

BayFirst implemented the following initiatives for energy management:

- *Replaced and installed high-efficiency HVAC systems at all locations, eliminating usage of R-22 product*
- *Installed new roof systems with ISR (initial solar reflectivity) of 89 and SRI (solar reflectance index) of 113 at three locations*
- *Installed electric vehicle charging stations at all locations*

WATER USE

WATER USE AND INTENSITY FOR BAYFIRST, FY2022

	Quantity (m ³)	Contribution %	m ³ per revenue (mUSD)	m ³ per employee
Supplied Water	945	100%	9.86	3.16



BayFirst is not involved in any water abstraction or reuse activity, and the water is sourced entirely from the municipal supply.

The above table highlights the absolute water use for BayFirst. Total water use is 945 m³ and the water intensity of BayFirst per mUSD of revenue generated is 9.86 m³ of water. Water use per employee is 3.16 m³.



ENVIRONMENTAL IMPACT

WASTE MANAGEMENT

BayFirst's total non-hazardous waste for FY2022 is 32,080 gallon, the primary of which is the general office waste comprising of paper, food waste, metal, plastic and other municipal waste. Hazardous waste generated by BayFirst includes printer cartridges, used battery, and electronic scrap.

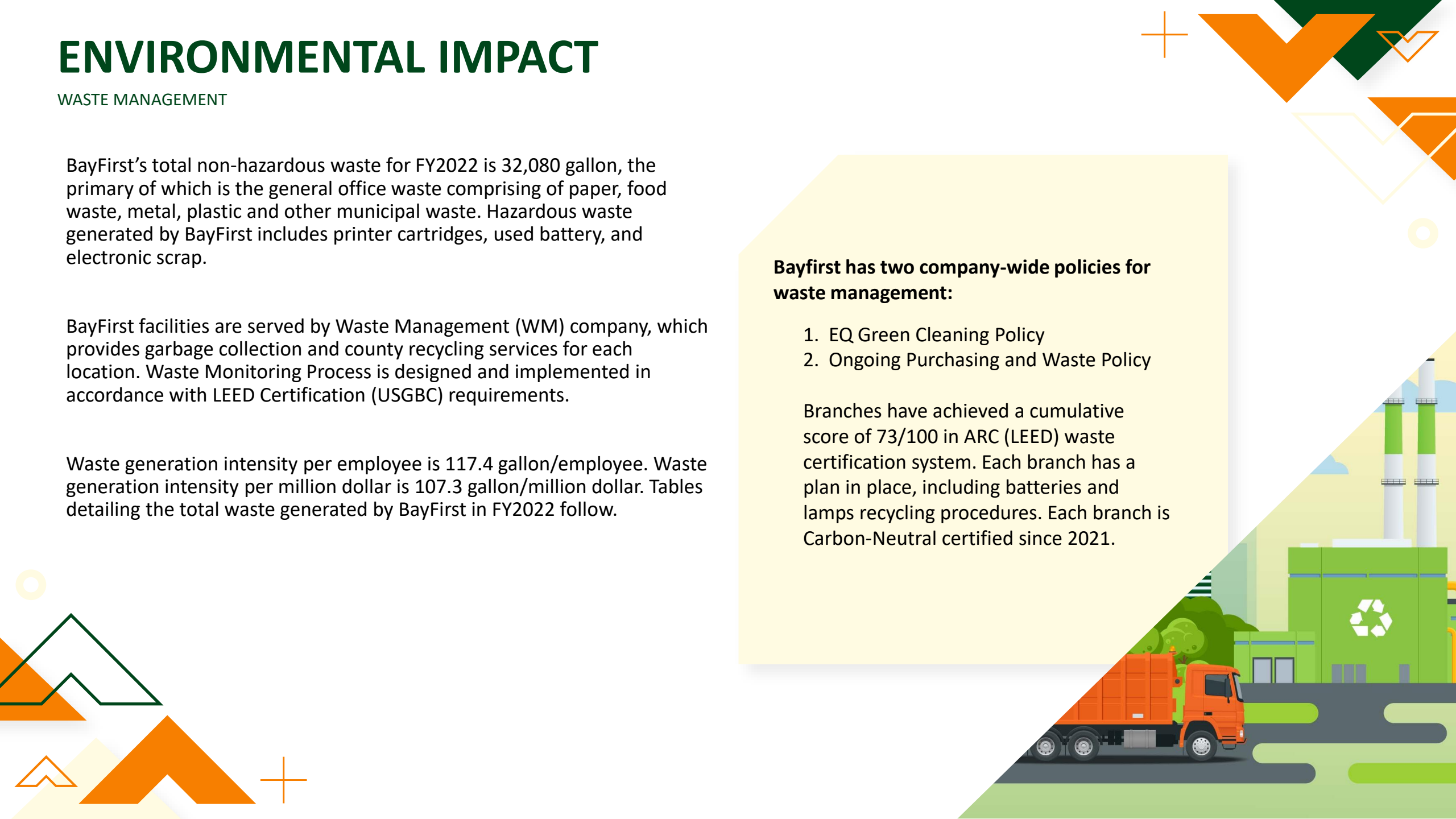
BayFirst facilities are served by Waste Management (WM) company, which provides garbage collection and county recycling services for each location. Waste Monitoring Process is designed and implemented in accordance with LEED Certification (USGBC) requirements.

Waste generation intensity per employee is 117.4 gallon/employee. Waste generation intensity per million dollar is 107.3 gallon/million dollar. Tables detailing the total waste generated by BayFirst in FY2022 follow.

Bayfirst has two company-wide policies for waste management:

1. EQ Green Cleaning Policy
2. Ongoing Purchasing and Waste Policy

Branches have achieved a cumulative score of 73/100 in ARC (LEED) waste certification system. Each branch has a plan in place, including batteries and lamps recycling procedures. Each branch is Carbon-Neutral certified since 2021.



WASTE MANAGEMENT



NON-HAZARDOUS WASTE FOR BAYFIRST, FY2022

	Waste (gallon)	Contribution
Paper	22,600	70%
Food Waste	3,500	11%
Metal	1,800	6%
Plastic	1,000	3%
Glass	3,180	10%
Total	32,080	100%

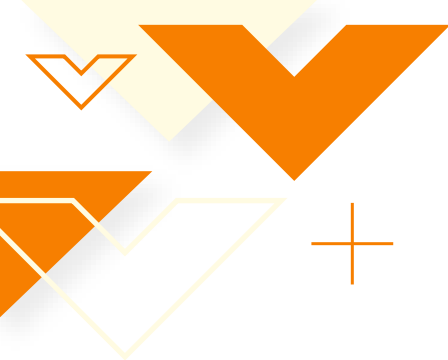
HAZARDOUS WASTE FOR BAYFIRST, FY2022

	Quantity(pcs)	Disposal Method
Printer Cartridges	52	Recycled
Electronic Scrap	34	Upcycled
Used Battery	90	Recycled
Total	176	

SOCIAL IMPACT

BAYFIRST





SOCIAL IMPACT

Access and Affordability

BayFirst offers products and services designed specially to give every member of the community and organization the opportunity to succeed. In 2022, it increased Essential Checking Accounts (offered to help those with difficult credit circumstances get back into the banking system and back on track) by 66%.

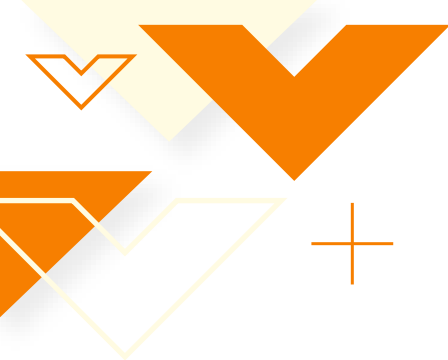
BayFirst's community engagement program, Impact, entered its second year and expanded to include a technology platform used to communicate opportunities and track both volunteerism across the Organization and Community Reinvestment Act (CRA) activities.

Also in its second year, BayFirst's Minority-Owned Business Lending Program shattered its lending goal of \$100 million in loans to women- and minority-owned businesses, surpassing \$255 million by year's end. This initiative earned \$3 million interest income during FY2022.

As the first financial institution to operate out of the heart of Newtown, Sarasota, BayFirst provided more than \$6.6 million in loans to underserved business owners and residents in a majority minority census tract, including more than \$800,000 in construction loans to build affordable housing in the area.

The Bank's Learning and Development team also formally unveiled a Financial Literacy and Outreach Library developed for bank representatives taking part in financial literacy program, speaking engagements and more, anywhere in the country.





SOCIAL IMPACT

HUMAN RIGHTS AND LABOR PRACTICES

BayFirst complies with all federal, state, and local laws protecting children in the workplace, and it adheres to Fair Labor Standards Act. The Bank does not have a policy on child and forced labor.

BayFirst does not currently have a specific policy regarding human rights, but it does have an employee handbook that outlines the benefits afforded to all employees and defines the expectations for its employees. The Bank maintains a Code of Conduct and a Code of Ethics. The Bank complies with all federal, state, and local laws prohibiting discrimination in employment.



SOCIAL IMPACT

EMPLOYEE DIVERSITY AND INCLUSION

One of BayFirst's primary goals is to create an institution where employees are proud to work and customers are proud to bank. To do so, it looks inward to create a culture and develop programs that foster Diversity, Equity and Inclusion (DEI) and reflect the values – and acknowledges the differences – of its community members and employees. In FY2022, BayFirst's DEI Council created a charter to provide scope and vision for the Organizations overall DEI efforts.

BayFirst monitors diversity in its workforce by way of voluntary information-gathering census of the employee base by the Human Resources department. BayFirst maintains policies for non-discrimination and gender diversity and these practices are outlined in its code of conduct.

The following tables and charts detail BayFirst's employee distribution across age groups, gender, and management levels.

Turnover

In FY2022, the overall turnover rate was 13.36% excluding the discontinuation of the residential mortgage division, an improvement from the 27.84% rate in 2021. Including the residential mortgage division discontinuation, the turnover rate was 89.73%. In order to improve employee retention, the Company offers multiple benefits and cultural environment such as full remote or hybrid working options and a minimum wage of \$18 per hour.

SOCIAL IMPACT

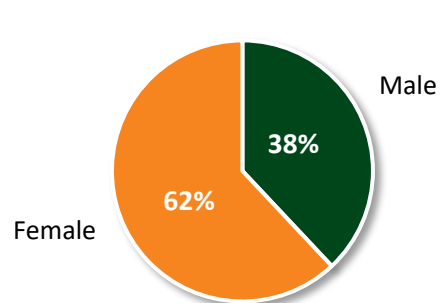
EMPLOYEE REPRESENTATION (ACTIVE EMPLOYEES), FY2022

<i>Metric</i>	<i>Category</i>	<i>Board</i>	<i>Executive</i>	<i>Office</i>	<i>Non-office</i>
Age Group	Under 30	-	-	6	32
	Over 50	6	4	53	58
Total			7	123	176

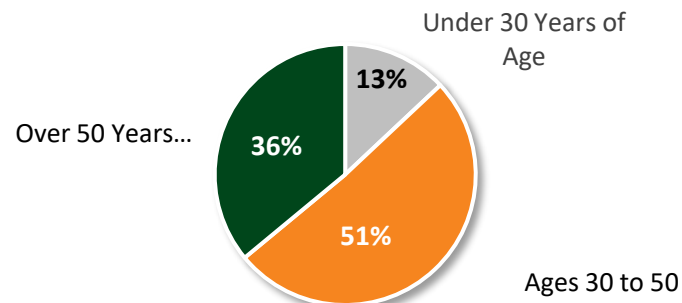
DIVERSITY BY ETHNICITY (ACTIVE EMPLOYEES), FY2022

<i>Metric</i>	<i>Category</i>	<i>Asian</i>	<i>Black or African American</i>	<i>Hispanic or Latino</i>	<i>White</i>
Ethnicity	non-Executive	2.7%	11.3%	14.7%	67.5%

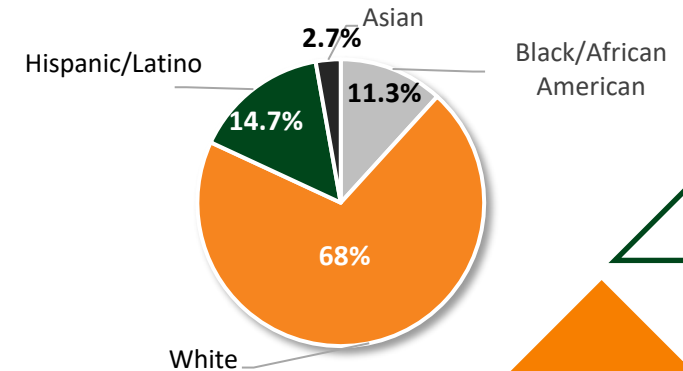
BAYFIRST EMPLOYEES BY GENDER (AS A % OF TOTAL EMPLOYEES)



BAYFIRST EMPLOYEES BY AGE (AS A % OF TOTAL EMPLOYEES)



BAYFIRST EMPLOYEES BY ETHNICITY (AS A % OF TOTAL EMPLOYEES)





SOCIAL IMPACT

EMPLOYEE ENGAGEMENT, TRAINING & DEVELOPMENT

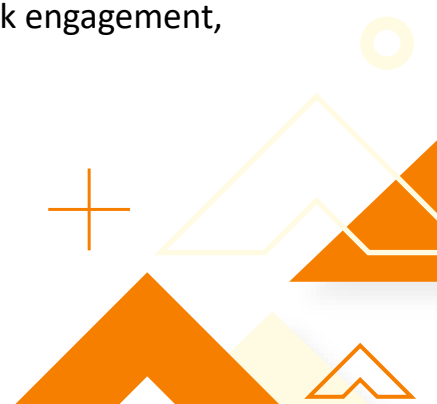
BAY

Internal and external training courses are mandatory for all BayFirst employees. Internal training includes entry level job training; soft skills training; eLearning courses on compliance, IT security, BSA/AML, HR (DEI), Business & Leadership skills; and mentorship programs. BayFirst support employees with external education on ATD certificate courses, NAGGL, Cornerstone content, Moody's Omega financial training, Florida Bankers Association certificate courses, and tuition assistance and student loan repayment programs.

The Bank provides all employees with best-in-class employee benefits including a suite of healthcare coverage. In addition to comprehensive medical plans, 100% employer paid life insurance, 401(k) and ESOP plans, BayFirst's benefits have expanded to include paid parental leave, tuition and student loan assistance, 16 hours of Volunteer Time Off (VTO) annually, and much more to maintain its position as a premier workplace.

At a non-executive level, 95% of the eligible employees received performance and career development reviews during the reporting period, as did 100% of executive-level employees. BayFirst recorded a total employee turnover of 13.36%. Fifty five percent of all turnover was voluntary, and 45% was involuntary. Turnover numbers do not include those related to the discontinuation of BayFirst's nationwide residential mortgage banking business line, which occurred in Q3.

As a result of these and countless ongoing efforts and initiatives, in 2022 BayFirst was selected by the Tampa Bay Business Journal as one of the Best Places to Work for going beyond the norm to foster an enjoyable and meaningful work environment for their employees. Selected based upon a confidential survey of our employees, BayFirst was evaluated on areas including team effectiveness, retention risk, alignment with goals, trust with co-workers, individual contribution, manager effectiveness, trust in senior leaders, feeling valued, work engagement, and people practices.



BayFirst works to continuously develop health, wellness, inclusion, and equal work opportunities into every aspect of the company for all of its employees. BayFirst closed the gender pay gap and achieved a gender equity ratio of \$1 to 1. Additionally, implanted originally in 2021, the BayFirst Wellness Program entered it's second year in 2022.

SOCIAL IMPACT

INCLUSION FOR ALL

In 2022, the company established BayFirst Employee Resource Groups (BERGs), with the LGBTQ+ BERG, The Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ+) to be its inaugural for the company.

The LGBTQ+ BERG aims to support a safe space for all LGBTQ+ employees and allies who want to learn about and become involved in the LGBTQ+ community in the bank and around the community.

As BayFirst looks into 2023, additional Veterans, Hispanic BERG and Women's BERGs are to form in 2023.

BayFirst was nominated as a "Best Place To Work" in 2022

TAMPA BAY BUSINESS JOURNAL



2022 BEST PLACES TO WORK

GOVERNANCE IMPACT

BAYFIRST



GOVERNANCE IMPACT

In FY2022, BayFirst sought new ways to ensure that the Company continues to evolve at the same speed as social and cultural attitudes while also maintaining the highest standards of corporate governance.

It focused on improving the two-way communication between the Board, Executive Team and all employees. In addition to important surveys related to corporate policies, philanthropic interests, and company-wide communication, BayFirst continued to host its CEO's Council, a quarterly employee focus group addressing a wide range of operational and cultural matters. The CEO's Council provides the executive team critical perspectives and insights to ensure continuous improvement throughout the Organization.

While BayFirst has made many improvements in FY2022, when it comes to some of the most critical governance standards, some things will never change. As the Bank continues to set its sights on adapting to the ever-changing societal landscape and customer expectations, BayFirst will always demand honest and ethical conduct from its board and employees while also prioritizing information security and data privacy and adhering to the highest legal and ethical responsibilities of a trusted financial institution.



GOVERNANCE IMPACT

BUSINESS ETHICS

Anti-corruption and Business Ethics policies

BayFirst has established a Code of Ethics. BayFirst also maintains a privacy policy, whistleblower policy, ESG policy and Copyright and Disclosure practices that can be found on its website.

Discriminatory Lending

The Bank maintains numerous policies and procedures for ensuring nondiscriminatory mortgage practices including ECOA Policy, UDAAP Policy, HMDA Policy, Truth in Lending Policy, RESPA Policy, FDCPA Policy, SCRA Policy, Community Reinvestment Act Policy, ESG Policy, and Fair Lending Policy.

Access to Information

Links/URLs to the latest version of these policies are provided below:

Code of ethics-

https://s29.q4cdn.com/295112438/files/doc_downloads/governance/2023/04/4325-code-of-ethics.pdf

Data Privacy - <https://bayfirstfinancial.com/privacy-policy/>

Whistleblower Policy -

https://s29.q4cdn.com/295112438/files/doc_downloads/governance/2023/04/1690-whistleblower-and-internal-compliant.pdf

ESG Policy -

https://s29.q4cdn.com/295112438/files/doc_downloads/governance/2023/04/2450-environmental-social-and-governance-esg.pdf

Disclosure Practices/ Restatements of information -

<https://bayfirstfinancial.com/copyright-disclosures/>



GOVERNANCE IMPACT

BUSINESS ETHICS

Audits

The Bank maintains both external and internal auditors that provides third line of defense as is expected for any insured depository institution. External audit function is provided by FORVIS, formerly, DHG Partners and internal audit is performed by Crowe and Elliot Davis.

Anti-corruption Risk Management

Operational risk assessments are performed annually with all risk assessments focused on risk related to corruption. In FY2022, ten operational risk assessments were performed.

- 1) *ACH Risk Assessment*
- 2) *Wire Transfer Risk Assessment,*
- 3) *RDC Risk Assessment,*
- 4) *Fraud Risk Assessment,*
- 5) *GLBA Risk Assessment (e-banking)*
- 6) *Red Flag Risk Assessment*
- 7) *Internal Audit Risk Assessment*
- 8) *FFIEC CAT Assessment (Cyber)*
- 9) *Vulnerability and Penetration test (IPA and EPA)*
- 10) *Third-Party Risk*

Anti-corruption Training

All employees and board members are required to read and attest to the Company's and Bank's Code of Ethics and Employee Code of Conduct.



APPENDIX

ESG TOPICS

GHG EMISSIONS

Emissions (Scope 1) Direct GHG emissions result from sources that are owned or controlled by a company. Examples include emissions from boilers and company vehicles.

Emissions (Scope 2) Referring to emissions generated by electricity that is purchased or brought into a company) and expended by the company. These emissions occur at the facility where electricity is generated.

Emissions (Scope 3) Scope 3 emissions are a result of company activities but occur from sources not owned or controlled by a company (e.g., production of purchased materials, transporting purchased fuels, and use of products and services). No Scope 3 emissions resulted from BayFirst operations in 2022.

GRI: GRI 305 1a, GRI 305 2a, GRI 305 2b

SASB: EM 1S 120a

NASDAQ: Yes

ENERGY USE AND EFFICIENCY

The category addresses environmental impacts associated with overall energy consumption.

Results address how a company manages energy in manufacturing and/or for delivery of products and services received from utility providers (i.e., grid energy) not owned or operated by the company. It specifically includes management of energy efficiency and intensity, energy mix, as well as grid reliance. Upstream (e.g., suppliers) and downstream (e.g., product use) energy use is not included in the scope.

GRI: GRI 302 1a, GRI 302 1b, GRI 103 2c

SASB: HC_DY 130a.1

NASDAQ: Yes

WATER & WASTE WATER MANAGEMENT

This addresses a company's water use and consumption, wastewater generation, and additional impacts of operations on water resources. Impact can be influenced by regional variances related to the availability and quality of and competition for water resources. The category specifically addresses management strategies including, water efficiency, intensity and recycling. Lastly, the category covers management of wastewater treatment and discharge, including aquifer pollution and groundwater.

GRI:

SASB:

NASDAQ: Yes

WASTE & HAZARDOUS MATERIALS MANAGEMENT

The category addresses total weight of waste according to type and disposal method. The primary types of waste streams for most financial institutions is paper and IT products. This waste increased as expected in 2022 due to waste generated as a result of the discontinuation of BayFirst's Residential Mortgage Division.

GRI: GRI 306 1a, GRI306 2a, GRI 103 2c, GRI 306 2b, GRI 306 2c, GRI 306 5a, GRI 306 5b, GRI=306 5c

SASB:

NASDAQ: Yes

ESG TOPICS

ACCESS & AFFORDABILITY

This category addresses a company's ability to ensure broad access to its products and services, specifically to underserved markets and/or population groups. It includes the management of issues related to universal needs, and in this case, financial services.

GRI:

SASB: HC DY 240a.1., HC DY 240a.2

NASDAQ: Yes

DIVERSITY, EQUALITY, AND INCLUSION

The category addresses a company's capacity to ensure that its culture and hiring/promotion practices lead to the development of a diverse and inclusive workforce that reflects the composition of local talent and customer base. It addresses the issues of discriminatory practices based on factors including face, gender, ethnicity, religion, sexual orientation, and more.

GRI: GRI 103 2c, GRI 405 1a, GRI 405 2a

SASB:

NASDAQ: Yes

EMPLOYEE TRAINING & DEVELOPMENT

This category relates to the internal and external training and development opportunities available to employees at a company.

GRI: GRI 404 1b, GRI 404 2a, GRI 404 3a, GRI 103 2c

SASB: HC DY 330a.1, HC DY 330a.2

NASDAQ: Yes

FINANCIAL INCLUSION & CAPACITY BUILDING

This addresses:

1. Number and amount of loans outstanding in association with programs designed to promote small business and community development.
2. Number of no cost retail checking accounts provided to previously unbanked or underbanked customers.
3. Number of participants in financial literacy initiatives for the unbanked, underbanked or underserved.

GRI:

SASB:

NASDAQ: Yes



APPENDIX

ESG TOPICS

BUSINESS ETHICS

The category addresses a company's strategy for managing risks and opportunities related to ethical conduct of business, including fraud, corruption, bribery, fiduciary responsibilities, and other behavior that may have an ethical component. This includes sensitivity to business norms and standards as they change over time, jurisdiction, and culture. It addresses a company's capacity to provide services that fulfill the highest professional and ethical standards of its industry, leading to the avoidance of conflicts of interest, bias, misrepresentation and negligence through employee training and the implementation of policies and procedures to ensure employees also provide services without bias and error.

GRI:

SASB: HC DY 510a.1

NASDAQ: Yes

SYSTEMATIC RISK MANAGEMENT

The category addresses a company's contributions to, and/or management of, systemic risks resulting from large scale weakening or collapse of systems upon which the economy and the public depend. Examples include financial systems, natural resource systems, and technological systems. It addresses the procedures a company has in place to lessen its contributions to these risks and to expand or improve safeguards that may alleviate the overall impacts of the systemic failure. For financial institutions, the category captures a company's ability to absorb shocks arising from financial and economic pressure and meet stricter regulatory requirements related to the complexity and interconnectedness of companies in the industry.

GRI:

SASB:

NASDAQ: Yes

DATA SECURITY

The category addresses management of risks related to collection, maintenance, and use of sensitive, confidential, and/or proprietary customer or user data. It includes social issues that may result from incidents such as data breaches during which personally identifiable information (PII) and other user or customer data may be exposed to unauthorized individuals. It addresses a company's strategy, policies, and practices related to IT infrastructure, staff training, record keeping, cooperation with law enforcement, and other tools used to ensure customer or user data is secured.

GRI: GRI 418 1a, GRI 418 1b

SASB: HC DY 230a.2, HC DY 230a.1, HC DY 230a.3

NASDAQ: Yes

