



**2022**

# Environmental Social Governance Report

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Banking on the future



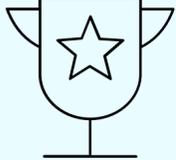
# BANKING ON THE FUTURE

## 2022 ESG highlights



**319**  
tons of paper recycled. Equal to 7,651 trees or 25,504 pounds of solid waste avoided in landfills<sup>1</sup>

**53%**  
racially & ethnically diverse employees



**Outstanding**  
Community Reinvestment Act (CRA) Rating

**\$3.5M**  
given to nonprofits benefiting low- and moderate-income individuals, communities or small businesses

**\$500K**  
Green Solutions grants associated with climate change benefiting low-to-moderate income communities



**37,055**  
total pounds of e-waste recycled through our electronic-waste program

**4,385**  
employee volunteer hours. A 34% increase from 2021

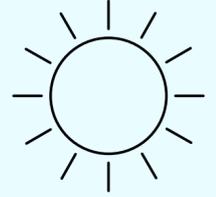


**20**  
LEED-certified locations. A 33% increase from 2021



**57%**  
female employees

**\$1.6B**  
in Community Development lending benefiting low- or moderate-income individuals, communities or small businesses. A 60% increase from 2021



**\$125M**  
commitments in solar investing, powering clean, renewable energy

**125,357**  
jobs created or retained by investments in Small Business Investment Companies<sup>2</sup>



**2,417**  
employees

**Cigna Healthy Workforce**  
Silver Level Healthy Workforce designation<sup>3</sup>

SOURCES <sup>1</sup>IRON MOUNTAIN SUMMARY REPORT FOR 2022. THE PAPER CALCULATOR FROM THE ENVIRONMENTAL PAPER NETWORK <sup>2</sup>SBIC PORTFOLIO MONITORING METRICS <sup>3</sup>CIGNA

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# About this report

Our Environmental Social Governance (“ESG”) efforts are guided by Pacific Western Bank’s (“PWB”, the “Bank,” or the “Company”) company values and commitment to the highest standards of corporate citizenship, a culture and value system rooted in integrity, accountability, outcomes and performance. This 2022 ESG Report (this “Report”) is our comprehensive annual report focused on ESG, inclusive of our efforts in the areas of environmental sustainability, social impact, diversity, equity and inclusion, community development & reinvestment, and corporate governance, ethics and risk management. This Report is not only a look back at the actions we have taken but an opportunity to highlight the impact those actions have had on the communities and customers we serve.

This Report is intended to be a companion to our Annual Report on Form 10-K and 2023 Proxy Statement. Unless otherwise noted, this Report includes data and activities from PWB operations for the 2022 calendar year. All data is as of December 31, 2022, but may include, in certain sections, select data from the prior year, 2021, to facilitate a year-over-year comparison.

## Our ESG approach

Embracing ESG is central to our commitment to our investors, employees, customers, communities, environment, and as a federally regulated financial institution, to our regulators. We are guided by a common purpose to help make financial lives better through the power of every connection. We are delivering on this purpose, in part, through a focus on environmental, social, and governance leadership and accountability. We prioritize people and incorporate the diverse ideas, talents and contributions of our colleagues into the way we do business every day.

We make investments in our people, culture and communities to provide an equitable and inclusive experience for internal and external stakeholders, which continues to be the key to our success. We also seek to be good stewards of the environment, which is addressed further in the Environmental sustainability section of this Report. From the perspective of governance, we strive to operate at the highest level of ethical behavior and corporate responsibility. We maintain sound risk management oversight, ensuring a structured and controlled approach to all areas of operations, including compliance, credit, finance, and information security. More broadly, we pursue ESG efforts that are relevant to our business and important to our stakeholders that uphold our unique market position in order to make a positive and enduring impact.

## Materiality assessment

In 2022, our ESG Executive Committee partnered with an external advisory team of ESG experts to help us identify and define our ESG priority areas. Through extensive research, including internal and external stakeholder interviews, internal documentation reviews, survey input, analysis of ESG standards, and peer benchmarking, the team analyzed a list of ESG topics using a materiality framework specific to PWB. This analysis determined, on a relative basis, the ESG topics that were most relevant and important to our stakeholders and our business. The full results of our materiality assessment matrix are available in the Appendix of this Report. The ESG topics below were identified in the survey as areas of high material interest.

### Environmental

- Climate Risk
- Greenhouse Gas Emissions (GHG)
- Environmental Impact

### Social

- Diversity, Equity & Inclusion
- Talent Management & Development
- Community Development/Reinvestment
- Responsible Lending & Financial Inclusion
- Data Privacy & Protection

### Governance

- Corporate Governance
- Risk Management
- Cybersecurity

Our Bank’s long-term financial performance and our ability to deliver stockholder value are directly tied to the success of our customers and the communities we serve. Our approach to ESG is interwoven in our business operations and not a separate layer that sits above what we say or do. We believe ESG adoption and compliance are strategic imperatives critical to our long-term success.

At PWB, we also believe in the importance of transparency in our ESG efforts. We have voluntarily aligned to the Sustainability Accounting Standards Board (“SASB”) Commercial Banking framework disclosure guidance, which is available in the Appendix of this Report. As we wait for the Securities and Exchange Commission’s (“SEC”) final climate disclosure rule, we intend to fully align ourselves with the disclosure standards being developed by the Task Force on Climate-related Financial Disclosures (“TCFD”) when they are released. We also plan to assume the recommended sustainability guidance disclosures from the International Sustainability Standards Board (“ISSB”) when they are released in the latter half of 2023.

## ESG Executive Committee

The Bank’s executive-level ESG Executive Committee oversees and executes ESG oversight and program development. Chaired by the Deputy Chief Risk Officer and supported by the ESG Officer, this Committee meets quarterly to assess and advance our ESG priorities and initiatives, including internal and external ESG-related disclosures. The Executive Committee is comprised of executive leadership from different lines of business and functions. The Executive Committee

reports to the Nominating and Governance Committee (“Governance Committee”) of our Board of Directors (the “Board”). Our ESG Working Groups support the Bank’s ESG initiatives in specific areas related to reporting and data mining, and they provide recommendations and observations to the ESG Executive Committee as appropriate. An overview of our ESG governance structure and the responsibilities of each committee and working group are outlined below.

## ESG stakeholder engagement

We regularly engage in ESG dialogue with our stakeholders, including employees, investors, communities, peer banks and regulators. This level of engagement provides valuable feedback related to key issues for our business and the communities we serve. Consistent with our ESG materiality assessment, engaging with our stakeholders provides the Bank with a continuous feedback loop to exchange perspectives and share expectations. Through this process, our ESG work continues to evolve. Over the past year, we recognize that the world and our country have continued to experience catastrophic damage from climate change, geopolitical conflicts, rising inflation rates, and housing affordability challenges. In addition, inequities make certain groups more vulnerable to these issues. We understand that new solutions to these challenges will require different ways of thinking and collaborating to create a more resilient and equitable future for all. As such, we remain committed to managing our business in a socially responsible manner, consistent with sound banking practices and the evolving landscape of ESG.

### Board of Directors

#### Nominating and Governance Committee

##### Key responsibilities

- Oversee the Company’s ESG strategy and advise the Board on significant ESG-related matters
- Oversee implementation of initiatives of management’s ESG Executive Committee
- Review and advise on the Company’s ESG policies and disclosures

#### ESG Executive Committee

##### Key responsibilities

- Assist in formulating the Company’s ESG strategy
- Consider and recommend to executive management ESG policies, practices and disclosures
- Identify and raise current and emerging ESG matters that may affect the Company
- Identify and recommend adjustments to address ESG-related trends affecting the Company
- Oversee the Company’s ESG-related reporting, disclosures and communications and associated legal compliance
- Recommend necessary systems and implement third-party standards or internal procedures necessary to monitor and improve the collection, evaluation and disclosure of ESG reporting and disclosure
- Provide direction to ESG working groups for focus areas and data collection

#### Environmental Working Group

##### Focus areas

Climate risk | Greenhouse gas emissions reporting | Environmental sustainability

#### Social Working Group

##### Focus areas

Human capital (Compensation and benefits, Employee wellness) | Diversity, equity and inclusion | Financial inclusion | Community investment | Social impact & responsibility | Cybersecurity | Data privacy

#### Governance Working Group

##### Focus areas

Corporate governance | Risk management | Code of business conduct and ethics | Fraud management | Business continuity

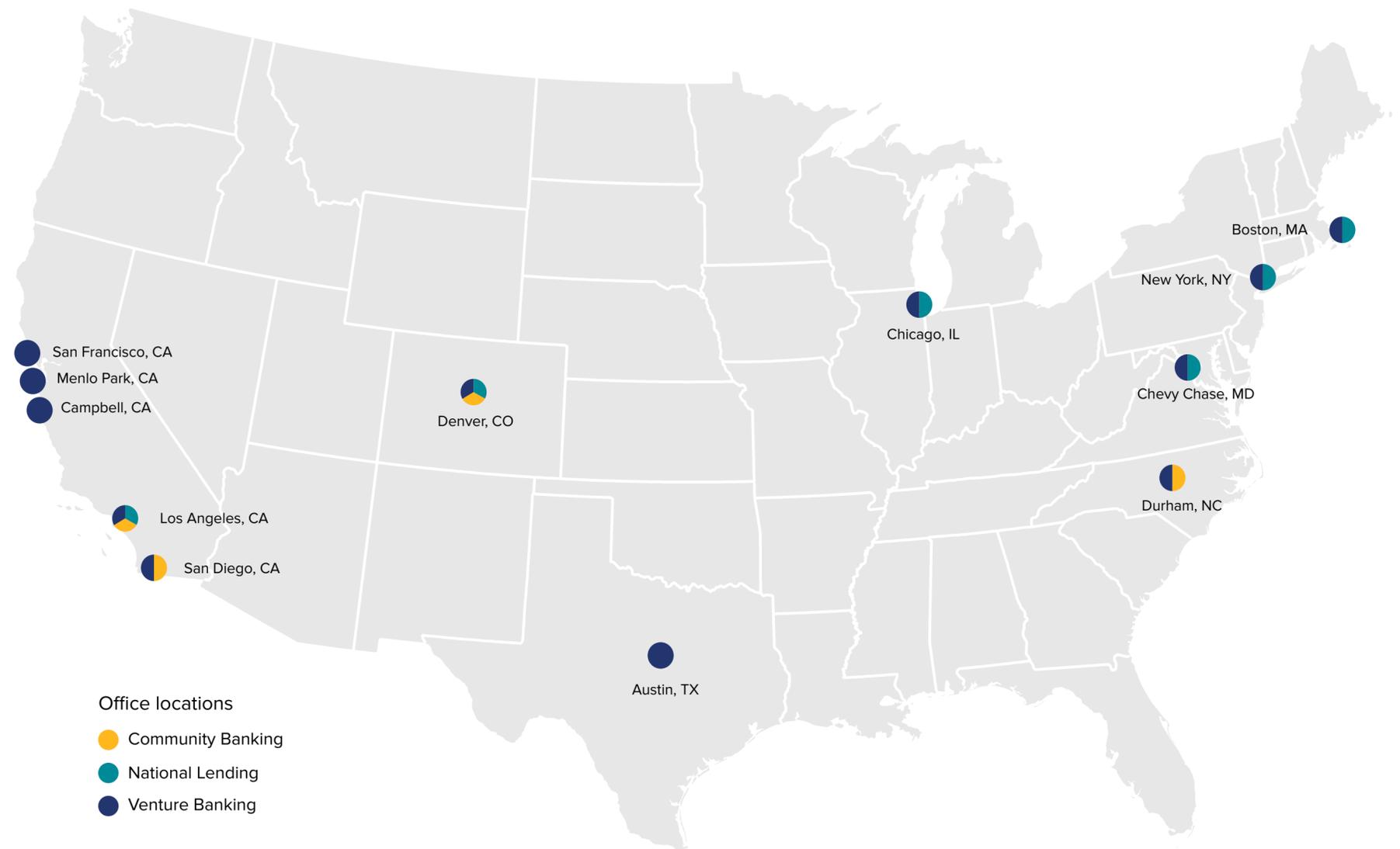
# Pacific Western Bank overview\*

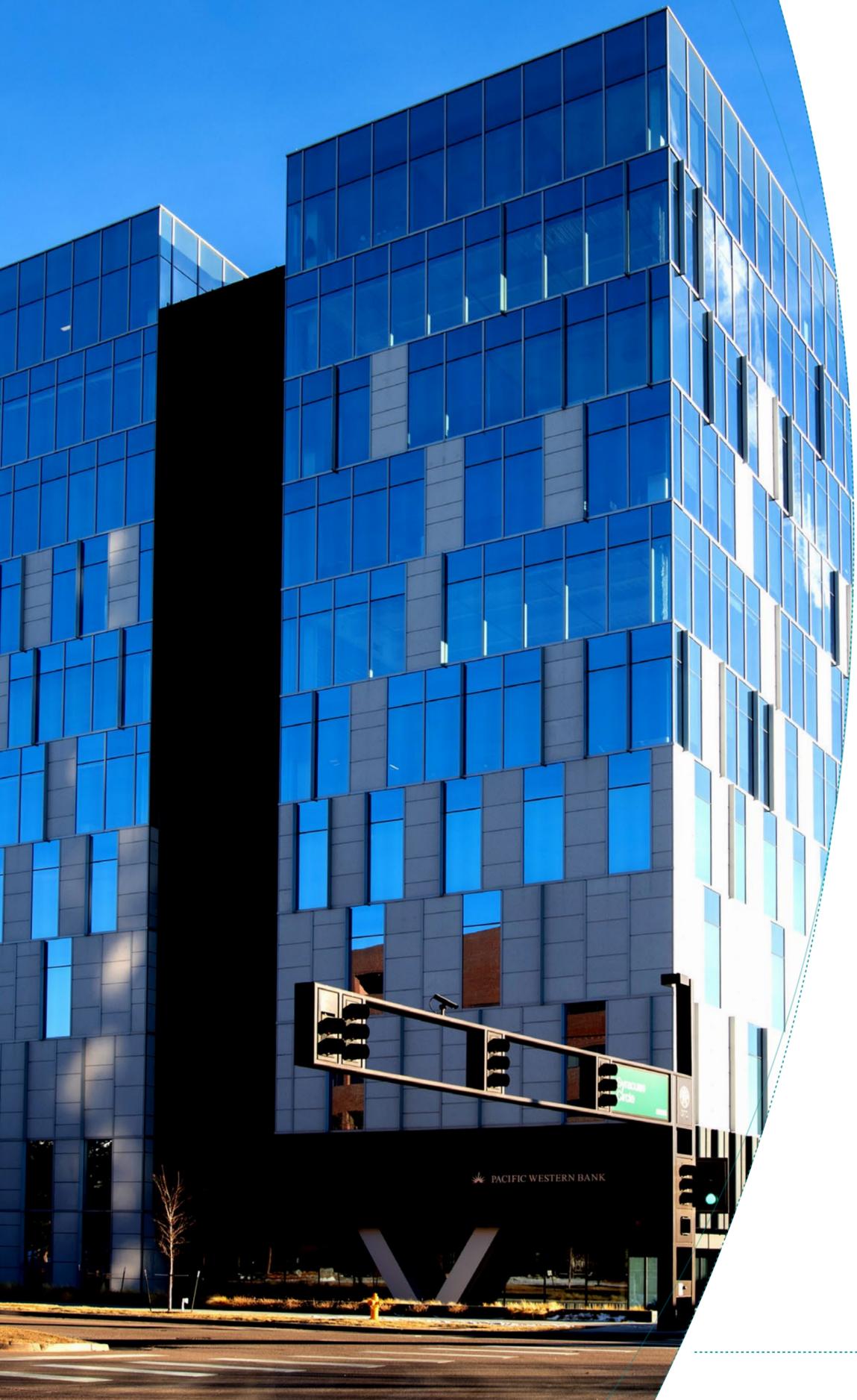
Pacific Western Bank is a commercial bank headquartered in Los Angeles, California, with an executive office in Denver, Colorado. We are a relationship-based community bank focused on providing business banking and treasury management services to small, middle-market, and venture-backed businesses. The Bank offers a broad range of loan and lease and deposit products and services through full-service branches throughout California and in Durham, North Carolina and Denver, Colorado, and loan production offices around the country.

**\$41B**  
in assets

**71**  
branches

**2,417**  
employees





# A message from our CEO

In 2022, Pacific Western Bank created forward momentum and demonstrated positive progress related to our ESG efforts through our many existing and notably new initiatives. We did all of this in an increasingly uncertain economic climate of inflationary pressure, recession risk and global unrest. We spent significant time and resources honing our focus on environmental stewardship while prioritizing our stakeholders.

We partnered with a third-party energy consultancy to map our Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased energy) at the Bank, all while enhancing our framework for climate and risk preparedness. Over the past year, PWB has provided \$462.1 million of tax-exempt and taxable financing to fund the development of 18 affordable housing projects across California in FEMA-designated disaster areas that have lost significant housing due to wildfires. Also, over the last year, the Bank committed \$125MM to construct two solar projects that will provide 172 megawatts of clean energy capacity. In total, we have originated and committed to \$249MM in solar financings representing 348 megawatts of generating capacity in the past two years. Within our physical office footprint, we now boast 20 locations in LEED-certified buildings across the country, an increase of 33% from 2021.

This past year we launched our new Green Solutions for Emerging Communities grant program. The Bank received 22 proposals, and eight were selected, each representing the Bank's vision of improving communities by taking active steps to minimize carbon footprint, reduce waste, mitigate the effects of natural disasters attributed to climate change and support educational and certification programs focused on climate change. Following that focus on direct community impact, the Bank also had a record year in affordable housing loans, originating over \$1.3 billion. This financing led to the development of 3,800 new housing units, up from 1,500 units in 2021.

Our employees are and have always been the key to our success. In 2022, Cigna selected PWB as a recipient of their Silver level Healthy Workforce Designation for demonstrating a strong commitment to improving the health and well-being of our employees through the Bank's workplace wellness program. A healthy balance is achieved holistically, and our employees demonstrated this in 2022, having volunteered 3,577 work-day hours to help low-to-moderate income individuals, an increase of 22% percent from 2021.

With a goal of bringing people together based on shared interests, common backgrounds, and experiences, this past year, we launched our Employee Resource Groups (ERGs) campaign, designed to support and advance the interests of our employees. The ERGs engage in different activities designed to build upon employee perspectives and the needs of their members.

Although new to my leadership role at the Bank, I am struck by the dedication, resilience and commitment our employees demonstrate to those we serve, the communities we support and each other. I believe our progress this past year speaks to our in-depth and ongoing commitment to be a conscious contributor to the betterment of our clients, stockholders, communities and each other.

Paul W. Taylor  
**President and Chief Executive Officer**



# Environmental sustainability

Environmental stewardship drives our efforts to consider solutions that reduce our environmental impact while protecting our stakeholders. Over the past year, our efforts have taken an increased focus with a greater understanding of climate risk management. In anticipation of the changing regulatory landscape on climate risk, our ESG Executive Committee began to address our climate readiness through internal discussions with various stakeholders, including the Board, business leaders across all operational disciplines, and external advisors. We are committed to building upon our Company’s work in supporting our communities and being good environmental stewards.

## Greenhouse gas emissions (GHGs) & water

We strive to further our understanding of climate-related financial risk factors while also considering our physical footprint, client portfolio, and recommended guidance by the TCFD and the SEC’s proposed climate risk guidance. Fully understanding our climate impact and the impact the climate has on our organization is no small task. To this end, we are taking steps toward developing a comprehensive climate risk strategy that will include climate risk controls (defensive measures) and climate sustainability initiatives (offensive measures).

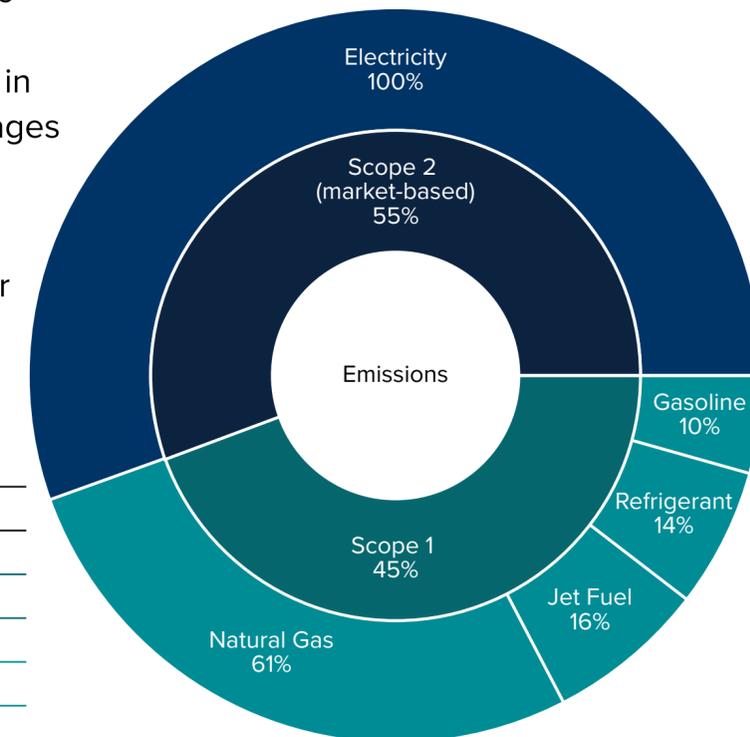
In 2022, as part of our initial climate and risk preparedness efforts, we partnered with a third-party energy consultancy company to map our Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased energy) emissions footprint. We followed the framework established by the Greenhouse Gas Protocol, the most widely used GHG accounting standard.

In 2022, we established a GHG baseline by collecting relevant consumption data for all Scope 1 and 2 sources, addressing data gaps, and developing a comprehensive dataset for the 2021 and 2022 GHG emissions inventory. Our on-site fuel use (Scope 1) is responsible for approximately 45% of our total emissions, which includes natural gas, fleet-leased vehicles, and our corporate aircraft. Electricity emissions (market-based) are responsible for 55% of our Scope 1 and 2 emissions. The graphic to the right captures an overview of PWB’s 2021 emissions, split into Scope 1 (direct operational emissions that occur on-site) in teal and Scope 2 (purchased electricity) in blue. Scope 1 and 2, without fleet and jet emissions, align with other company averages of 20-40% for Scope 1 and 60-80% for Scope 2.

It is important to note there is a significant increase in Scope 1 emissions in 2022 due to jet fuel consumption as the corporate aircraft was acquired in the last quarter of 2021. Therefore only three months of jet fuel was captured in that year.

### 2021 Emissions summary

Total emissions: 5,086 mtCO<sub>2</sub>e



Source	2021 MTCO <sub>2</sub> e	2022 MTCO <sub>2</sub> e	YoY Change
Scope 1 & 2 Total	5086	6013	18%
Scope 1	2263	3422	51%
Gasoline	215	208	-3%
Jet Fuel	359	1799	402%
Natural Gas (on-site heating)	1377	1115	-19%
Refrigerant (from HVAC system)	313	299	-4%
Scope 2 (market-based) (Electricity)	2822	2592	-8%

While our business model as a financial institution does not include production or distribution, we still examine ways to reduce waste, promote recycling, conserve energy and educate our employees about the benefits of environmental sustainability. PWB's facilities with primary data being assessed (utility bills) had an average natural gas usage of .01 MMBtu/square foot per year, which is lower than the average of .02 MMBtu/square foot per building in the Pacific region of the U.S., according to the

Commercial Buildings Energy Consumption Survey. Our natural gas consumption decreased 19% in 2022.

We anticipate expanding on this progress and developing a climate risk management policy and energy efficiency plan, subject to formalized regulatory climate risk guidance. Additionally, as part of our baseline efforts, in 2022, we assessed our water consumption levels and identified that we consumed 6.7 million gallons of water, a 20% decrease from 2021 water consumption.

### Gallons of water consumed

8,138,534

in 2021

6,773,494

in 2022

As we strive to advance our environmental stewardship efforts, we will continue exploring emissions reduction opportunities and other clean energy solutions as part of our broader climate risk framework and strategy efforts for 2023 and beyond.

## Green investing & lending

We believe that our greatest opportunities to protect the environment and to promote sustainability lie in partnership with innovative green companies and investments, which support solutions that help transition to a low-carbon economy. Home solar is a clean, emissions-free, and renewable energy source and does not release harmful pollutants or greenhouse gas emissions—like carbon dioxide—into the air and water supply.

Our Corporate Asset Finance group provides lease financing for solar renewable electric generating facilities. In 2021, the Bank committed \$124MM of project financing for two solar projects, providing 176 megawatts of generating capacity to a public utility. These initial projects were successfully built and converted into lease financings in 2022.

Also, in 2022, the Bank committed \$125MM to construct two solar projects that will provide 172 megawatts of generating capacity. In total, we have originated and committed to \$249MM in solar financings representing 348 megawatts of generating capacity over the past two years. We will continue to target financing utility-scale and distributed generation facilities with utility, corporate and municipal, and community solar power purchasers under long-term power purchase agreements.

These lending commitments align with **U.N. Sustainable Development Goal #7 – Affordable and Clean Energy**.

The Clay Farm Solar Project that the Bank helped finance will provide low cost, clean energy for generations. The facility has the annual capacity to power up to 17,000 homes.



Clay Solar Farm Project, Fort Gaines, Clay County, Georgia

## Green solutions for emerging communities

In 2022, we announced through our Community Reinvestment Act (CRA) initiatives funding for an innovative Green Solutions for Emerging Communities grant program. We recognize the importance of the Federal Deposit Insurance Corporation's ("FDIC") 2022 priorities, which include addressing climate change impacts on low-to-moderate income ("LMI") communities. Through a Request for Proposal process, the Bank selected activities from various proposals that will have the most significant impact on mitigating risks associated with climate change. The \$500,000 grant pool focused on climate change efforts, benefitting the LMI community through:

- **Education:** Going green and climate change educational programs
- **Housing:** Making homes in LMI communities more energy efficient
- **Natural Disasters:** Preventing and/or recovery efforts in LMI communities
- **Small Businesses:** Making our small businesses more energy efficient

The Bank received 22 proposals, and eight were selected, each representing the Bank's vision of improving communities by taking active steps to minimize carbon footprint, reduce waste, mitigate the effects of natural disasters attributed to climate change (i.e., drought) and support educational and certification programs focused on climate change.

## Responding to communities in FEMA's climate disaster zones

The Bank responds to our communities' needs in many ways, including financing for building new developments in FEMA-designated disaster areas and for communities impacted by local wildfire disasters. In 2022, PWB provided \$462.1 million of tax-exempt and taxable financing to fund the development of 18 affordable housing projects across California in FEMA-designated disaster areas. These communities were identified by California as having lost significant housing due to wildfires. Others utilized specific low-income housing tax credit programs created by Congress pursuant to the Consolidated Appropriations Act of 2021 (CAA) and Further Consolidated Appropriations Act of 2020 (FCAA) to fund the rebuilding of affordable housing in communities impacted by wildfires. PWB remains committed to serving the needs of our local communities and to those in hard-hit communities who may be susceptible and disproportionately impacted by climate-related disasters.

*Pac Union Cedar Street Apartments is a new development and part of PWB's 2022 wildfire relief projects*



## 2022 Winners of Green Solutions for Emerging Communities grants

- Coachella Valley Housing Coalition
- Orange County Rescue Mission
- California State University Fresno
- High School Inc.
- Blue Sky Center
- Community House Works
- Community for Innovation, Entrepreneurship, Leadership, & Opportunities
- Farmworkers Institute of Education & Leadership Development



## Physical footprint

We will continue to act as responsible stewards as we assess our operational footprint and opportunities to become more efficient and environmentally strategic. PWB operates in several states and has 69 branch locations in California, which is fewer than most of our peers of similar size. Our dedicated property management team researches and reviews opportunities for space efficiency, energy efficiency and construction and renovation standards. The Bank has 20 locations within LEED-certified buildings, an increase of 33% from 2021. To achieve LEED certification, projects are reviewed and verified and awarded points that correspond to the LEED certification levels. PWB has LEED-certified buildings within each of the categories above.

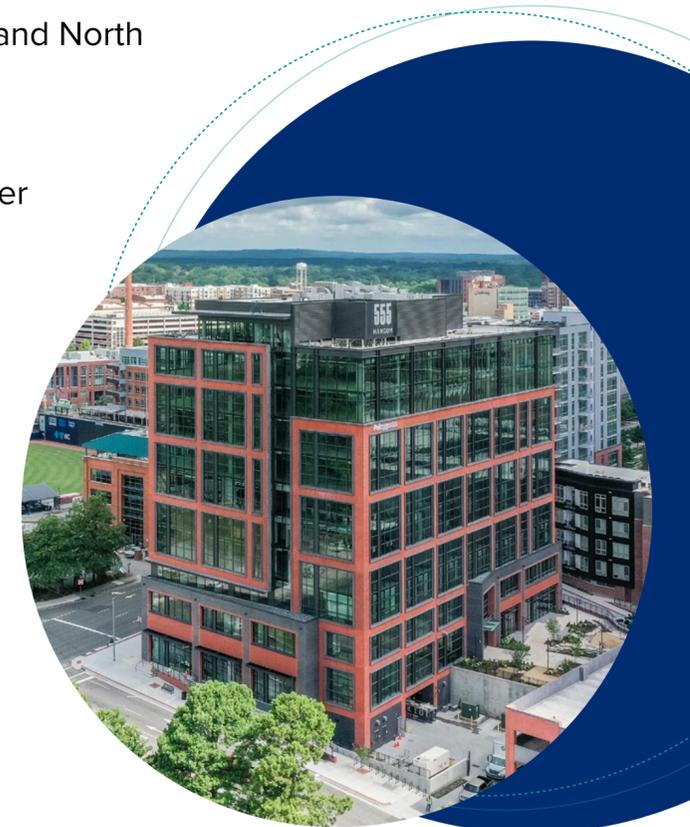


At the end of December 2022, the Bank had, in total, 71 branches, in California, Colorado and North Carolina.

We will continue to evaluate our physical locations and the environmental impact of our physical footprint. To the right is one of our new LEED-certified buildings that opened earlier this year in Durham, North Carolina.

## Green commuting

We believe in the importance of keeping our planet clean and having a range of options that support reduced environmental impacts of daily commutes whenever possible through public transportation, walking, biking or working remotely to support our hybrid working model. As part of this effort, we reward employees who use public transportation (bus, train, vanpool, etc.) to commute to work by offering reimbursement of up to \$280 per month per eligible employee. New employees joining the Bank receive information about PWB's green commuting program during their onboarding and new hire orientation process. In 2022, approximately 14% of our employees enrolled in our commuter benefits program, up 4% from 2021.



*Durham, North Carolina LEED building*

## Paper usage

In 2022, we recycled over 319 tons of paper through our company-wide secure shredding and recycling program. These efforts saved the equivalent of 7,651 trees, which translates to 25,504 pounds of solid waste avoided in landfills. Given the sensitivity and nature of our business, keeping our customers' personal information safe is a top priority, and our paper shred vendors ensure 100% of shredded material is safely and securely recycled. While we cannot eliminate paper usage entirely, we try to reduce consumption whenever feasible. We promote paperless statements to all our customers, and we are expanding our use of digital technologies. We also provide centralized recycling bins for paper, plastic, aluminum cans, and empty printer ink cartridges in all of our offices.

## Embracing technology

We continually encourage our customers to adopt online banking tools and applications and paperless statements to reduce paper usage and the printing of paper statements. Technology is a significant resource for reducing our paper usage and environmental impact. At the end of 2022, approximately 52,696 customer accounts, or 37.5%, were receiving electronic statements. We also provide account notices and end-of-year tax forms in e-format. We intend to further reduce our reliance on paper-intensive processes through solutions like digital signatures. We have company-wide solutions for mobile device access and laptop workstations to accommodate employees working remotely and performing tasks on the go. Our investments in web and video conferencing also reduce our corporate travel.

### Virtual credit cards

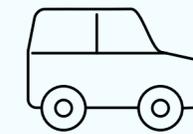
Customers have the flexibility to issue one-time use or refillable virtual cards to serve their business needs. In 2022, PWB customers issued 1,073 virtual cards with approximately \$19 million in transaction activity. The issuance of virtual cards eliminates plastic usage and mailing containers that fill landfills. Additionally, virtual cards offer reduced risk to cardholders by utilizing a 16-digit token tied to the real "plastic" card account number so that the real card number is not revealed. The reduced risk exposure to the cardholder's plastic card number results in less reissuing of cards.

### Electronic waste

PWB has participated in responsible electronic waste programs for decades. We consistently redeploy IT equipment whenever possible. When reuse is not feasible, we recycle or dispose of equipment using approved hardware recycling vendors that strictly comply with all state and federal laws, rules and regulations and are R2, ISO 9001, ISO 14001 and ISO 45001 certified. We also opportunistically donate to employees, schools and charitable organizations within our communities.

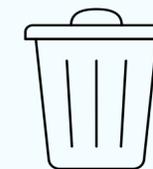
## Paper recycling & shredding impact

In 2022, through our secure shredding program we recycled the equivalent of the below.



**338**

Gas-powered cars off the road per year  
*1,501.60 MTCO<sub>2</sub> avoided*



**2,001**

Trash bags avoided  
*25,504.80 lbs. / 11,568.77 kg of solid waste avoided*



**12,115**

Bathtubs of water preserved  
*605,739.00 Gallons / 2,292,970.47 Liters of water preserved*



**3,833**

Residential refrigerators operated per year  
*943,683.05 kWh / 3,220,761,268.43 BTUs energy saved*



**7,651**

Trees preserved  
*1,275.24 fresh green tons preserved / 1,156.88 fresh green metric tonne preserved*

Source: Iron Mountain PWB Usage Report 2022. The Paper Calculator from the Environmental Paper Network is a science-based and peer-reviewed lifecycle methodology.



All data is cleared, purged or destroyed in keeping with the NIST 800-88-R1 Guidelines and for Media Sanitization exceeding HIPAA, HITECH, FACTA, FCRA, FISMA, FERPA, GLB, SOX, COPPA, PCI DSS, and Trade Security & National Security Programs & U.S. Department of Defense Standards.

Total pounds e-waste recycled/disposed



Source: PWB e-waste vendors: Electronic Recycling and E-Cycle Environmental

### The road ahead

We will continue to pursue innovative opportunities to support entrepreneurs and businesses that reduce greenhouse gas (GHG) emissions. We will also look for new opportunities to finance businesses developing sustainable technologies to increase the efficient management and consumption of energy, food, clean water and other resources.

To promote environmental sustainability with our stakeholders, we must first broaden our understanding of the impacts of climate change on our business and our customers. We intend to align our objectives with regulatory disclosure requirements and guidance on climate risk and industry practices, as appropriate. This may include the SEC’s finalized climate risk guidance, the TCFD, and applicable ISSB recommended standards on climate readiness.

# Social impact

We have built a strong culture of inclusion where we focus our efforts on improving the well-being of stakeholders in our communities and apply those standards to support the growth and advancement of our employees. We appreciate and respect differences and strive to create opportunities that engage, serving a range of interests. We work closely with organizations that serve low-to-moderate income families and communities throughout our footprint—addressing homelessness, equity and economic inclusion, financial empowerment and education, and growth in entrepreneurship for diverse owners, including women and minority-owned small businesses.

## Promoting financial inclusion & access to capital

We believe we have a role and a responsibility to promote economic equality and to improve opportunities for underrepresented groups. We believe that startups and small businesses are the lifeblood of our economy but recognize that access to capital is an obstacle to many women, minorities and other underrepresented individuals. In particular, women, Black and other minority individuals remain underrepresented in leadership roles in the innovation economy. In 2022, PWB invested meaningful time and resources in various organizations that promote financial inclusion and access to capital for businesses owned or led by women, minorities and other underrepresented groups. Examples include partnerships with:

- Association for Asian American Investment Managers (AAAIM)
- BLCK VC
- Bridge Conference
- Kayo Conference Series Women's Private Equity Conferences
- PEAR VC
- Springboard Enterprises
- Women's Association of Venture & Equity (WAVE)
- With Intelligence Women's Private Equity & Venture Capital Summits

PWB also provided executive education for emerging fund managers through its partnership with Recast Capital, which empowers emerging managers and the next generation of venture capitalists. Bank employees organized a webinar about the future of female, black and brown entrepreneurs with Seth Levine and Elizabeth MacBride related to their book, *The New Builders: Face to Face with the True Future of Business*. PWB's Venture Banking team members provided meaningful coaching and feedback to early-stage founders of technology companies, and supported diverse emerging managers with connections to potential investors and a hosted virtual Limited Partner pitch event.

## Commitments creating impact in our communities

In 2022, our Venture Banking team initiated and expanded client relationships with women and minority-led investment firms, including, among others, Rethink Impact, SoGal Ventures and Idea Fund. These firms focus on increasing the diversity and representation of:

- Underrepresented businesses
- Underrepresented founders
- Underserved problems needing innovation



*ReThink Impact Summit, October 2022. Pictured above (left to right): Jack McNamara, Nadia Sawaya, Kay Parry from PWB, and Jenny Abramson and Heidi Patel from ReThink Impact.*

Additionally, we expanded our portfolio of partners, which are making positive strides toward more diversity in commercial real estate developers and borrowers, some of which include:

- [Mosaic Development Partners](#), a Philadelphia-based Minority Business Enterprise development firm, became a client of PWB's Commercial Real Estate Group. Mosaic partnered with Ensemble Investments to develop a life science building in Philadelphia, Pennsylvania, and PWB's Commercial Real Estate Group provided the \$58.5 million senior construction loan for the project.
- The Commercial Real Estate Group provided eight loans to minority-owned clients totaling over \$400 million in loan commitments.
- The Commercial Real Estate Group closed nine multifamily construction loans, totaling \$750 million in commitments, that included an affordable housing component to their respective development (e.g., separate from CRA loan commitments that support low-to-moderate income multifamily construction projects).

### Supporting positive social impact clients

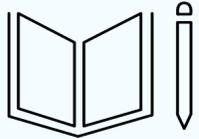
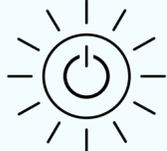
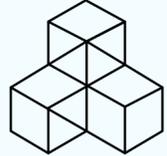
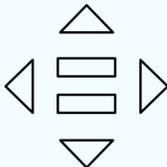
In 2022, our Venture Banking business launched a new program focused on supporting positive social impact clients aligned to the U.N. Sustainable Development Goals (U.N. SDGs) by providing a \$5,000 credit toward the legal fees associated with loan documentation. This benefit was offered to a number of clients and, in at least one instance, was a key factor in us winning the client's business. The pilot program created by the Venture Banking business has been renewed for the 2023 calendar year.

### 2022 U.N. SDG-aligned client snapshot



## U.N. Sustainable Development Goals

While the Bank supported clients aligned to the 12 U.N. SDGs, the primary concentration of U.N. SDGs were represented in the following five U.N. SDG categories.

-  **#3** Good Health and Well-being
-  **#4** Quality Education
-  **#7** Affordable and Clean Energy
-  **#9** Industry, Innovation and Infrastructure
-  **#10** Reduced Inequalities



# Diversity, equity & inclusion (“DEI”) – Driving our economic & social progress

We believe our diverse, equitable and inclusive culture is one of the hallmarks that differentiates us in the market. DEI principles are core values of who we are and how we work. We are committed to enriching lives by making a positive and enduring impact in the communities we serve. Our DEI strategy is built on goals grounded in inclusivity and growth, based on metrics that enable measurement of progress. From engaging our diverse employees to reach their full potential to leveraging our shared social responsibility with our clients, suppliers, and communities, we aim to build futures that are transformed through belonging and a shared corporate vision. We take pride in our accomplishments and work closely with employees of all levels to identify areas of focus, input, and opportunity. Employee surveys and communication with management teams across business lines are an important part of our culture and an ongoing commitment.

Our DEI strategy and objectives are integrated and aligned within three focus areas: people, culture and financial inclusion.

## Key DEI pillars



## People

### Empowering diverse talent

Our people are the key to our success and our greatest asset. We believe innovation and growth stem from diverse perspectives, backgrounds, and life experiences, which ultimately benefit our community, clients and partner organizations. By fostering an inclusive culture, our people are valued and engaged and, in turn, produce exceptional results.

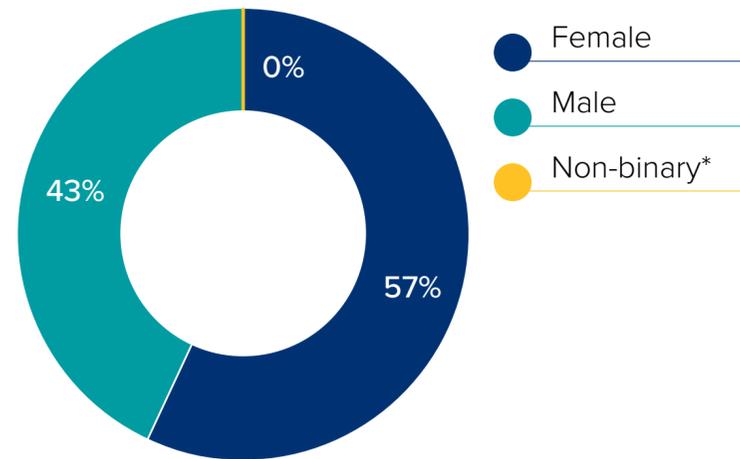
Our multi-faceted recruitment efforts seek to be holistic. We intentionally seek and develop talent with varied experiences, skills and perspectives, which bring innovative ideas and solutions to our diverse customer base.

In 2022, we extended our engagement with veteran and military recruitment organizations to connect veterans with more career opportunities. We have also continued our partnership with DirectEmployers, a service enabling us to share all our job postings with diverse professional, educational and government recruiting platforms. This allows us to expand our reach in attracting minority, female, veteran, differently-abled and LGBTQ+ talent.

## 2022 Gender & racial diversity at a glance

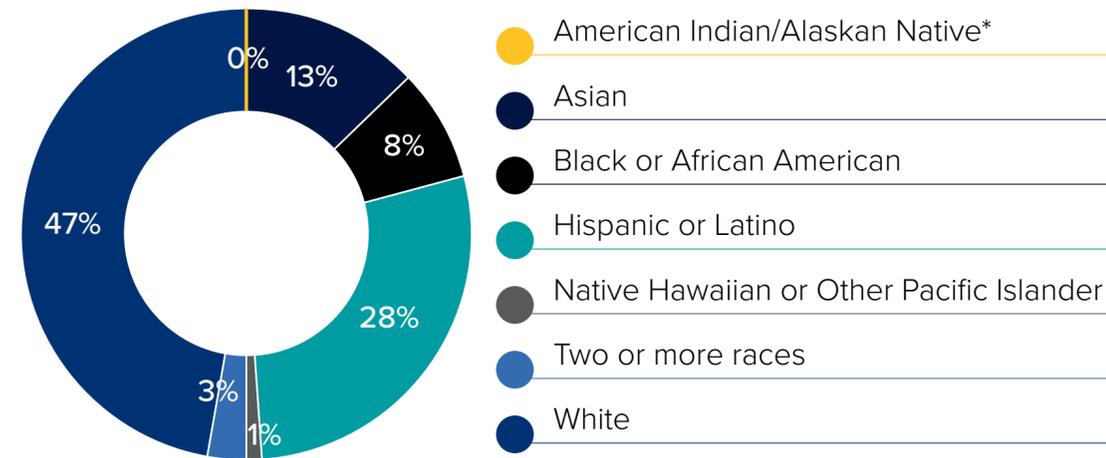
We are proud of the diverse and talented people who make up PWB. Below is a summary of our workforce as of December 31, 2022.

### All staff—gender



\*Representation <1%

### All staff—race & ethnicity



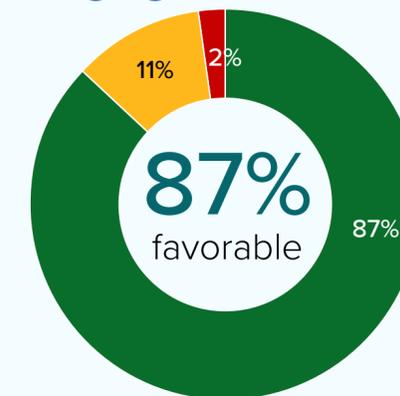
\*Representation <1%  
Not disclosed <1%

## Inclusion & engagement survey

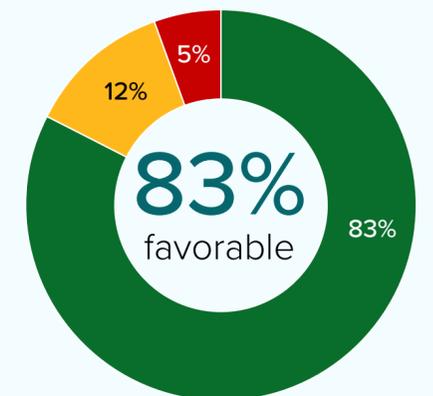
This year's survey was the first step in measuring PWB against standard performance indicators. Based on our employee feedback, there was a high consensus that engagement and DEI are perceived favorably across PWB compared to benchmark organizations.\*

**68%** Participation

### Engagement



### DEI



Favorable  
Neutral  
Unfavorable

\*PERCEPTYX

# Culture

## Listening to our people & measuring our inclusive culture

Attracting and developing a diverse workforce alone cannot achieve our Bank's performance advantages. We can only attract and retain the best people by providing them opportunities to build skills, grow, be supported professionally and personally, and feel valued for their work and contributions. As we closed 2022, we continued incorporating flexibility into the PWB work environment to effectively balance business and employee needs. We are committed to our people, who are the Bank's foundation, to the needs and nature of our clients' goals, and to the Bank's priorities.

To track our progress and commitment to creating a culture of respect, action, and progress, we rolled out our first Inclusion and Engagement survey to listen to our employees' perspectives and better assess our workplace culture. The survey feedback equipped our leaders with decision-useful insights to ensure enhancements to strengthen our culture, initiate a more informed conversation between managers and employees about their PWB experience, promote growth and adapt to changes in the marketplace.

## Growing a culture of inclusion: voluntary self-identification campaign

Broadening the scope of our diversity data is critical to promote an inclusive culture where all identities are valued. In 2022, we expanded employee self-identification opportunities to provide a more accurate view of our workforce representation. We invited employees to voluntarily disclose if they have served in the military, if they are non-binary, or if they identify as a member of the LGBTQ+ community. This important data and employee feedback enabled executive management to build upon our DEI goals, provide needed (and inclusive) benefits and create an environment and culture where employees can thrive.

## Belonging at PWB – launch of employee resource groups

In 2022, as part of the Inclusion and Engagement survey results, there was an increased desire for connection, career development and deeper engagement. The feedback informed the development of several innovative programs and built on our foundation of fostering a culture where people feel heard and valued and their identities celebrated.

With a goal of bringing people together based on shared interests, common backgrounds, and experiences, we launched our Employee Resource Groups (ERGs) campaign in 2022, designed to support and advance the interests of our employees. The ERGs engage in activities designed to build upon employee perspectives and members' needs. Activities include special guest speakers and panel discussions on issues that matter most to our employees, community volunteering organized and run by employees, fundraising activities, mentoring opportunities and much more.

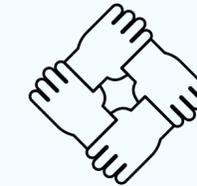
## Employee resource groups

### GenUnited



Promotes leadership and growth through mentoring and leveraging the unique strengths of members. This group focuses on creating a culture of inclusiveness where professionals of any age can gather for guidance and support in their career journey.

### Multicultural



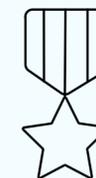
Builds harmony and openness through cultural infusion for multinational and multiracial employees who are committed to advancing, cultivating and preserving a workplace of diversity, inclusion, and multicultural belonging.

### Pride



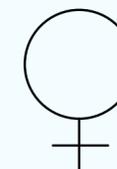
Dedicated to promoting a safe, equitable and inclusive environment for LGBTQ+ employees and supports the personal and professional growth of all employees by sharing, and promoting the value of LGBTQ+ employees.

### VETS



Supports and encourages employee veterans, active duty and allies; personally & professionally through networking, mentoring, volunteerism and community outreach efforts.

### Women



Promotes gender equality and professional development to help attract, develop, advance and retain female professionals at all levels of our Company.



*PWB employees Daniel Jimenez, Nick Peluso, Marissa Cabalar (and family) and Susan Tang at the beach cleanup in honor of Marine SGT Billy Jamison.*



*Prism council members met in October 2022 in Denver for strategic planning.*

## Prism - PWB's employee-led DEI advisory council

The Prism Council serves as an employee advisory group focused on DEI topics, bringing together the broader set of employee perspectives and voices across the Bank. The Prism Council is comprised of 23 diverse employees and leaders from across all operational areas and functions of the Bank. Prism embodies the diverse backgrounds of our employees. It serves as the nexus for ongoing dialogue and actions to help support the expansion of educational conversations and opportunities for leadership and diversity training across the Bank. Expanding and sharing our perspectives is a critical aspect of how we drive a culture of inclusion. We believe an open dialogue can help empower our employees to better understand and appreciate one another.

Highlights from our 2022 Prism council and ERG community initiatives:

- The Radiant Health Center Fundraising Gala in January 2022 raised over \$250,000 for AIDS/HIV care and medical services in Orange County.
- Our VETS and GenUnited ERGs participated in a beach cleanup at La Jolla Beach, California in September 2022. They partnered with the Travis Manion Foundation and the Mission Continues, both focused on volunteerism and giving back to the veteran community. This event was in memory of Marine SGT Billy Jamison.
- PWB employees volunteer with the Junior Achievement (“JA”) program at Orange Grove Elementary in Anaheim, California. JA’s mission is to empower youth in financial literacy, work readiness, and entrepreneurship to impact their lives positively.
- PWB partnered with Queenship, whose mission is to empower all young people including queer, trans, and non-binary students, supporting our Denver community.

In addition to raising awareness, volunteering in communities, and mentoring youth, the Prism council held its first in-person strategic planning session in Denver. They discussed ways to advance PWB’s DEI growth efforts. During the planning session, the council also met with the Bank’s executive leadership team, who affirmed their commitment and support for Prism’s mission and its alignment with the Bank’s strategic direction.



*PWB employees Joseph Wilson and Thomas Fuentes supporting the Junior Achievement program at Orange Grove Elementary.*



*PWB employees Laura Mendez and Damaris Munoz serving as Queenship mentors.*

## Financial inclusion: Doing Good Works

We value supplier diversity and adhere to a process that allows us to assess potential business partners to substantiate that their values and ours align. As an example, this year, we continued our work with promotional item supplier Doing Good Works. They have a culture of caring and have designed their business based on a 10/20/30 model. This means 10% of their profits fund empowerment and scholar programs for foster youth pursuing higher education, 20% of employee hours are dedicated towards volunteer work of their choice and 30% of their new hires come from the foster care community.



## Supplier diversity program

In 2022, the Bank's efforts included launching and integrating our strategic supplier diversity program into our procurement and sourcing functions. We have developed a supplier diversity program framework with committed resources and are developing new processes and tracking measures to strengthen our impact further. We assess suppliers on a holistic basis, inclusive of their commitment to diversity and economic stewardship to their own community and the communities we serve.

Engaging with diverse suppliers has a positive and important impact on our Bank. We are committed to promoting diversity, equity, and inclusion as a valued business strategy within our communities, clients and suppliers. By diversifying our supply chain, with 164 diverse business suppliers, we aim to promote job creation and stimulate local economies. Our supplier diversity program helps foster opportunity and supports the growth of deserving companies owned by minorities, women, veterans and small businesses. By advancing supplier diversity, we believe we are contributing to the long-term economic sustainability of the communities in which we operate.

## Total Rewards: benefits & compensation

Our culture and values drive our investment in our people and the programs supporting their physical, mental, emotional and financial well-being. We strive to provide competitive compensation and benefits that meet the varying needs of our employees, including market-based competitive pay, healthcare benefits, short and long-term incentive packages, a 401(k) plan, tuition and training assistance, and employee health and wellness programs. Our approach to benefits and compensation is predicated on the belief that to attract top talent, we must provide benefits that incentivize performance and support employees' diverse needs. The foundation of our Total Rewards program consists of the following principles:

- All facets of compensation are fair, equitable, and fully transparent, which align with our core corporate values.
- The interests of our employees are balanced with the long-term interests of our customers and stockholders.
- Compensation is dynamic and ever-changing, which was a catalyst for the Bank moving from \$15 per hour to an \$18 per hour minimum wage in December 2021 and then to \$20 per hour in December 2022.
- The median employee compensation was \$100,106 per year in 2022.
- Each role has an established salary grade and pay range based on industry-specific, market-based data, allowing for a structure that provides a clear path for strong performers.





- The program includes a Pay for Performance model where employees are rewarded for results other than seniority and tenure.
- As an employee's responsibilities increase, the mix of their total rewards more heavily leans towards variable compensation that is considered 'at-risk' based on individual goals achievement and company results.

### Physical wellness

- We offer multiple competitive medical, dental and vision plan options for employees to choose from for themselves and to meet their family's needs
- Critical illness, accident/injury and hospital indemnity insurance are available to protect employees further
- Telehealth appointments are available to all employees enrolled in the Bank's health plans to make access to care even easier
- Discounted gym memberships are available for all employees to encourage physical health and an active lifestyle
- All employees are encouraged to complete wellness activities and can earn up to \$540 annually in gift card incentives to support their physical well-being

### Emotional & mental wellness

- Wellness webinars are available to staff in partnership with Ginger, a mental health support resource on a range of topics that include resilience and stress reduction coaching, mindfulness for boosting productivity and effective tips for creating more work-life balance
- Unlimited, confidential, free, 24/7 behavioral health coaching is available to all employees and dependents age 13 and older
- Eight video therapy sessions for each employee and their dependents are covered at no cost
- A minimum of 20 days of paid time off is available to all benefits-eligible employees

### Financial wellness

- Automatically enrolling new employees into our 401(k) plan helps set new employees up for success when saving for retirement
- The Bank's 401(k) plan offers pre-tax and Roth contributions with an employer match. The employer match is immediately vested and is 50% of employee 401(k) contributions up to the first 8% of eligible earnings
- Bank-paid life and AD&D insurance with supplemental options are available for employees and dependents to cover their needs adequately

## CIGNA\* Healthy Workforce Designation

In 2022, Cigna selected PWB as a recipient of their Silver level Healthy Workforce Designation for demonstrating a strong commitment to improving the health and well-being of its employees through the Bank's workplace wellness program. This wellness program offers various opportunities for employees to engage in and earn wellness incentives, regardless of their medical enrollment.



\*CIGNA

- Pre-tax flexible spending and health savings accounts are offered on a pre-tax basis for employees
- Health savings accounts related to the high deductible plan are funded by the Bank and cover approximately 43% of the deductible
- The Bank reimburses public transportation expenses up to \$280 per month
- Short and long-term disability is provided at no cost in the event of an illness or injury
- Tuition reimbursement of up to \$3,000 per year is available to employees to further their education

## Other benefits

- Eleven Bank-paid holidays are observed each year
- Paid parental leave is available to all new parents to bond with the new addition to their family
- Paid volunteer leave is available for employees to serve their local communities
- Paid voting time off is available to employees to provide them the opportunity to vote
- Legal advice to prepare legal documents, with unlimited email consultations and a 30-minute phone consultation per issue, is available at no cost
- Hybrid-style work model that provides flexibility to meet business needs and objectives while also boosting employee satisfaction, which in turn, supports recruiting, engagement and retention efforts
- New partnership with Bright Horizons Back-up Care Program to provide employees with backup day care, tutoring and discounted support and access to family care, education and enrichments

## Executive compensation

Our executive compensation philosophy provides the principles that drive our compensation-related decisions: align with stockholder interests, pay for performance, attract and retain executive officers, and mitigate risk. The Bank's general philosophy and objectives underlying our executive compensation program are to employ the best leaders in our industry to ensure we execute on our short- and long-term business goals, and create long-term stockholder value.

## Talent management & development

We are committed to attracting and retaining the best and brightest talent. We are committed to providing opportunities for growth and development that create a well-rounded, well-trained, and skilled workforce. In 2022, our Talent Development team responded to the results of our first Inclusion and Engagement survey with the roll-out of a series of workshops to help employees take charge of their own careers and goals.

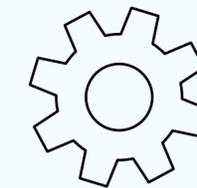
## Our talent development framework

### Career interests



Employees were encouraged to complete a Career Anchors assessment that helped them understand their motives, values, and interests. Understanding career interests helps employees seek opportunities that align with what is interesting and motivating. Benefits to the Bank and employee include job satisfaction, improved motivation and engagement, and greater career success.

### Skills



During our career development series, employees and managers were introduced to a skill assessment tool that clarified key skills related to our competency model. Employees and managers are able to use the skill assessment tool to identify key areas where employees can focus their development efforts.

### Impact



We are an impact driven bank that values the integrated performance of all our employees. Their collective contribution is achieved through delivering solutions that solve challenges our clients may face, working with their colleagues to achieve internal efficiencies and demonstrating tangible accomplishments that drive their team and our organization forward.



294 employees and managers attended our four workshop series from September to October 2022. Feedback from these sessions was very positive, and we heard from a number of employees that they gained greater insight into how they can take control of their careers and development.

## PWB new employee orientation

In 2022, the Bank created a new employee orientation program to help employees easily acclimate to PWB and their teams and have the necessary tools and information to connect with colleagues and functions across the Bank effectively. More so than ever, the workplace environment continues to change and evolve in the aftermath of the COVID-19 pandemic. For this reason, we believe having a structured approach to new hire orientation, irrespective of level or rank, is essential to enable new hires to form meaningful relationships right from the start and to transition into their roles more effectively and efficiently.

## Leading with purpose

As we continue integrating our learning and development and performance management programs, we offer personalized programs and training to ensure all employees have access to the resources they need to advance their careers. This includes a quarterly webinar series, Navigating Next, and personalized learning plans through LinkedIn Learning. PWB employees completed 19,470 hours of personalized professional training and development through LinkedIn Learning in 2022.

## Leadership development

While talent and skills development is a key area for all Bank employees, our first area of focus is management and leadership. In 2022, we continued to offer two programs to develop our current and future leaders at PWB and trained another 100 new managers across the organization. Our leadership philosophy is to develop our employees to become the future managers and leaders of the Bank. As such, whenever possible, we look for “promote from within” opportunities within our employee base. We moved some of our virtual leadership training programs back to in-person sessions this past year, which allowed managers from across the organization to connect and build relationships in these learning events.

## Leadership essentials program

This is our core virtual leadership program for managers of people. Leaders who participate in this program gain valuable insights into the following:

- Practical management skills like coaching, feedback and delegation that can immediately be applied back on the job
- Key leadership insights regarding their unconscious bias and how to create an inclusive and engaging working environment within their teams
- Opportunities to expand their internal network through a collaborative learning experience that enables and encourages interaction with peers across the Bank

## Lead program

Our premier senior leadership development program continues to be delivered by our executive officers to our future senior leaders to support the execution of our strategic priorities. The senior leadership training is focused on further developing insight to:

- Recognize the needs of the market and impacts on the Bank and teams
- Identify innovative ways and opportunities to create, lead and manage ongoing change
- Effectively build inclusive environments through allyship within teams and across business units

## Data privacy & information security

We understand that confidentiality, integrity, and availability are essential and of the highest priority when it comes to our customers' personal information. As such, we have implemented strong administrative, technical, and physical safeguards to protect personal information within bank-controlled networks. Responding to security threats requires a flexible and malleable security program. We continually review and update our security program to meet the Bank's and our customers' needs.

We do not share or sell our customers' personal information for marketing or other commercial purposes. The Bank will only provide limited information to vendors, service providers, and regulatory and law enforcement agencies as required to comply with applicable laws and regulations. All employees must complete annual privacy and information security training to strengthen compliance with relevant industry and regulatory standards such as the Gramm-Leach-Bliley Act (GLBA), Sarbanes Oxley Act (SOX), and other related cybersecurity regulations.

We maintain a broad range of administrative controls, including policies, procedures, and standards that govern information security operations carried out by our people, processes, and technologies across the Bank. Initial and ongoing annual training by all employees and associates is required to ensure effective controls exist, along with additional specialized training for those with privileged administrative access to systems and information.

Comprehensive technical safeguards have also been deployed across our computer networks to protect sensitive information and assets. Our Information Security team conducts frequent, ongoing efforts to review and update our security program to serve the needs of our customers better while enabling adequate protection of all data. Our Information and Cyber Security governance documents are reviewed and updated at least annually to reflect changes needed to adapt to the changing security landscape and regulations. Furthermore, we have invested in safeguards to reduce risk from physical threats, including lock and key control policies, physical barriers, security guards, surveillance camera systems and remote facility monitoring.





We are committed to diligent compliance with regulatory guidelines, rules and regulations surrounding information security and technology activities. We regularly schedule independent and internal assessments to evaluate the adequacy of our information security controls and operations. We have invested in our security posture by establishing a comprehensive third-party risk management (TPRM) program to manage vendor risk effectively. This includes ongoing monitoring for vendor compliance with our established service level agreements and information security standards and practices. Through these measures, we work to ensure that customer and Bank information remains safe from unauthorized access or modification.

The cornerstone of our security program and operations is a highly trained and professionally experienced security staff. These personnel are essential to accomplishing our goal of keeping our customers' personal information accessible only by those authorized to do so. To that end, we have adopted appropriate policies and procedures to permit only necessary staff to possess customer information on a need-to-know basis. Policies such as this help avoid any unnecessary exposure of sensitive data to those that do not have a business need to possess or distribute it.

We recognize that cyber threats are real and complex and adversely impact our customers, staff, and communities. As such, we are committed to conducting regular exercises to assess our Incident Response Program. This has improved our ability to detect, respond and contain cyber threats that our Bank might encounter. The Information Security team has built strategic partnerships and operations to work closely with Information Technology and other departments to continue to enhance the Bank's readiness to defend our information and assets properly.

To evaluate the quality of our information security program, we have established a foundation of strong key performance indicators ("KPIs"). Our executives and staff members are briefed on the status of these KPIs frequently to enhance the oversight and visibility of security controls, performance metrics and activities to protect information across the organization.



# Community development & reinvestment

PWB is a leader in supporting local communities throughout California, Colorado, North Carolina and beyond. We are proud to reinvest in our local communities as we offer a wide range of support to low- and moderate-income individuals, communities and small businesses throughout our footprint.

The relationships we build are essential to our work in creating more opportunities and driving inclusive growth by investing resources in our communities, people and small businesses. We maintain a strong, long-standing commitment to the CRA. We have received a CRA rating of “Outstanding” since 2017 from the FDIC. We remain focused and committed to being responsive to our communities’ lending, investment and service needs. We approach the community needs through a holistic understanding of the market, surveys and ongoing communication with local community leaders and organizations.

## Community development investments

We invest and make investments in support of valuable community development initiatives. During 2022, the Bank provided financial support to various community development initiatives. These initiatives included affordable housing, small business development, and community development services such as health, education, and social programs that improve the well-being of low- and moderate-income individuals, families and communities.

We are proud to report that the Bank invested \$59.2 million in low-income housing tax credits to support creating or preserving 2,580 housing units for low- and moderate-income individuals and families in 2022. Additionally, our portfolio of Small Business Investment Company investments supports the creation or retention of an estimated 125,357 jobs in 2022.\*



\*SOURCE: SBIC PORTFOLIO MONITORING METRICS

## Community development lending

As a leader in community development lending, PWB focuses on providing capital for affordable housing, economic development and community service initiatives. 2022 was a record year for the Bank, with over \$1.3 billion in affordable housing loans originated, leading to the development of 3,800 new housing units. Our goal is to develop meaningful and innovative ways to support more opportunities for our communities. To advance our CRA initiatives in 2022, we were able to provide the following:

- Financing or investing in transactions that support the development and retention of affordable multifamily housing units, and whenever possible, provide affordable housing developers access to the Affordable Housing Program subsidy available from the Federal Home Loan Bank
  - Working capital to continue or expand small business operations and create jobs for low- and moderate-income workers
  - Financing for the working capital needs of local community-based organizations serving the needs of low- and moderate-income residents

### Clara Brown Commons Affordable Apartments

Inspired by the entrepreneurial spirit of an African American woman born into slavery who became the “Angel of the Rockies,” the development of this very special project took creativity, resourcefulness and years of persistence. We are proud to have financed the construction loan for \$15.9 million to support the development of multifamily affordable housing units targeted to low- or moderate-income individuals and families in Denver. Clara Brown, a formerly enslaved person turned entrepreneur, community leader and philanthropist pioneer, played an important role in Colorado state history. When it opens in 2023, Clara Brown Commons will host 61 apartments, 17 townhomes and shared gathering spaces – a place to belong. The Clara Brown Commons development features include a wellness center, chapel, youth and mentoring programs, a greenway and a community recreation center. The building is sustainable with a solar energy system, recycling, and environmentally friendly initiatives and education programs for residents.

Clara Brown Commons, Denver, Colorado

“

*We are grateful for PWB’s generous support. Your investment has allowed us to provide innovative programs that cultivate the next generation of students to invoke real change for a more environmentally sustainable world.”*

**Mary Tran, Executive Director**

High School Inc. Academies Foundation  
Orange County, California

## Projects we have supported in 2022



**\$26.6 Million**  
156 units  
Milner Commons  
Senior Housing  
Raleigh, NC



**\$36.0 Million**  
80 units  
Mariposa Place  
Homeless/Special Needs  
San Jose, CA



**\$12.3 Million**  
57 units  
Portola Senior  
Senior Housing  
Lake Forest, CA



**\$15.9 Million**  
61 units  
Clara Brown Commons  
Family Housing  
Denver, CO

## 2022 key efforts & impact

### Outstanding

Community Reinvestment Act rating

4,385

Total employee volunteer hours (of which 3,577 hours benefited low- to moderate-income individuals, communities or small businesses)

\$3.5M

Charitable giving to nonprofits benefiting low- to moderate-income individuals, communities or small businesses

\$708M

Community Development Investments (portfolio balance)

74%

Percent of loans originated to small businesses with loan amounts of \$100,000 or less

20%

Percent of total loans \$1 million or less originated to small businesses in low- to moderate-income communities

\$1.6B

Community development lending benefiting low- or moderate-income individuals, communities or small businesses

4,135+

Housing units created or preserved from Low Income Housing Tax Credit Investments

## Small business lending

We understand that many small business owners and entrepreneurs face difficulties obtaining traditional financing, and we aim to provide practical solutions based on their specific needs. We strive to address challenges by ensuring our clients know about various services and options available to them, including an array of loan programs. We develop, offer, and monitor our lending in a manner that responds to the Bank's and our customers' changing needs and creates economic and social value for our customers and communities. We do so by providing the following:

- Smaller dollar loans in amounts of \$100,000 or less
- Loans to businesses with gross annual revenues of \$1 million or less
- Loans to businesses located in high-minority census tracts
- Loans to businesses located in low- and moderate-income census tracts

Our focus continues to be on establishing and nurturing long-lasting relationships with our customer base. This includes strategy discussions with local Community Development Financial Institutions, small business technical assistance providers and other community development lenders to ensure businesses have access to alternative sources of capital. The Bank offers competitive and flexible line of credit products designed specifically for businesses with gross annual revenues of \$1 million or less to help them jump-start their growth and hit the ground running. These products have competitive interest rates, a streamlined approval process, and no prepayment penalties.

### Morro Bay Apartments

In February 2022, the Bank financed the construction of a 35-unit affordable housing development in Morro Bay, California. All of the housing units are restricted to very low- and low-income households.



*With Pacific Western Bank's support, we are working to close the prosperity gap for women, minorities, immigrants, and families with limited resources, helping them achieve success in education, employment, and business ownership."*

**Angeles Ortega, Chief Executive Officer**

Mi Casa Resource Center  
Denver, Colorado



*Morro Bay Apartments, Morro, California*



PWB's Andrew T. Boogusch (fourth from the left), Self-Help Enterprises and Salt + Light Works gathered to celebrate the Neighborhood Village breaking ground on August 25, 2022.

## Neighborhood Village Project

In December 2022, we provided an \$11.3 million loan to facilitate the construction of a 52-unit low-income housing tax credit property in Goshen, California (Tulare County) to support nonprofit Self-Help Enterprises (SHE) and Salt + Light Works. The modular-style space will provide mental and physical health services, including wellness and financial literacy classes, job training, and workforce development opportunities. This innovative multifamily community was designed to provide an alternative for individuals experiencing homelessness.



*Pacific Western Bank's support enables our organization to keep families together during a time of homelessness, work with them to find permanent, stable homes, and offer programming that benefits both parents and children."*

**Lisa Rowe, Executive Director**  
Families Together  
Raleigh, North Carolina

## Charitable contributions

Reflecting on our values and commitment to the community, we continue to support the needs of our communities with a focus on equity, economic inclusion and financial empowerment, donating over \$3.5 million to support qualified community development activities in 2022. This total includes nearly \$446,000 set aside for small business lending support, technical assistance and targeted community initiatives that advance small business development.

In 2022, we funded \$414,000 to support initiatives to reduce homelessness and nearly \$200,000 to support increased financial education and awareness. We continue to have a long-standing relationship with United Way in support of local community organizations. The Bank donated a total of \$130,000 to United Way chapters across the United States. Our employees generously donate to United Way as well.





## Employee volunteerism & our commitment to corporate social responsibility

Aligning with our purpose and values, our employees know they are making a difference while also growing their careers at PWB. Employee volunteerism is a critical element of our community development initiatives and is deeply embedded in our company culture. Our aim is to strengthen our communities by giving back through time and expertise. We recognize our connections to the places where we live and work and the importance of improving opportunities where we can have the most impact. Our employees volunteered 3,577 hours to help low-to-moderate income individuals, an increase of 22% percent from 2021. Our volunteerism covers a broad range of interest areas but is focused on four segments in particular:

- Financial literacy
- College Preparation
- Job and life skills
- Business mentorship programs

We support our communities across the country through local and national organizations, and we proudly offer 16 hours of paid time off each year for employees to perform volunteer service. In the past year, notable volunteer activities included numerous efforts across local communities we serve, and some are highlighted below:

- Mentorship and coaching through our partnership with Hope Builders, an IT Tech Academy in Orange County, with PWB's IT Director, among others, sharing tips, tricks and ways to succeed in IT
- Financial literacy training to empower youth and young adults through our partnerships with Rising Stars Business Academy, Exceptional Children's Foundation and Home Again LA, as well as financial training courses led by PWB, in collaboration with QueenShipp to support our Denver community with a five-week program with students from Kepner Middle School and Grant Beacon Middle School (which included a lively and action-packed field trip to a PWB Denver office)
- College preparation and academic mentoring with students at nonprofit Puente Learning Center's College and Career Exploration Program in Los Angeles
- Workforce and life coaching skills led by the Bank's branch teams from our Santa Barbara and San Diego offices to support Cristo Rey San Diego High School in partnership with Partners in Education

We remain committed and provide the flexibility and support our employees need to be successful, both at and outside of work, to contribute to our communities. In 2022, we kicked off the PWB GoodWorks Rewards program to encourage volunteerism and corporate social responsibility and to reward employees with recognition for their service. We firmly believe that meaningful service is essential to our business goals. Giving back through volunteerism aligns with our values as a corporate citizen and supports our employees' passions to connect with others in the community in a meaningful and personal way.

# Corporate governance, ethics & risk management

We are committed to sound corporate governance. As a federally regulated financial institution, our governance practices reflect our highest values. They are essential to our success in providing long-term value for our stockholders, customers, employees, and communities. Our corporate governance standards ensure compliance with applicable federal and state laws and regulations. We work diligently to mitigate risk to continually earn the trust and confidence of our regulators, customers, vendors, and stakeholder community. Our Legal, Risk Management and Compliance teams promote a culture of compliance by serving as partners to our business colleagues and by engaging with our regulators on an ongoing basis.

## Board of Directors

Our Board oversees the Bank's strategic plans, corporate governance and risk management, including ESG. To assist with this oversight, the Board has established a number of independent committees, including Risk, Finance, Audit, Compensation and Human Capital and Nominating and Governance Committees. The Governance Committee oversees the ESG strategy for the Bank. Our Corporate Governance Guidelines, Code of Business Conduct and Ethics, committee charters and current committee membership, and executive officer and director bios are on our PacWest Bancorp website.

At the end of 2022, our Board consisted of 11 directors, nine of whom were independent. Our Board members bring a well-rounded variety of experience, qualifications, skills, tenures and diversity.

### Board refreshment and diversity

Our directors' diverse backgrounds help support the long-term strength and success of PWB by providing the mix of skills, experience and perspectives necessary to guide the Bank's strategies and monitor their execution.

In recent years, we have strategically added directors to balance new perspectives and expertise with the existing depth of institutional knowledge and experience. In 2022, one new director was nominated to serve on the Board, one director was not re-nominated, and one director resigned at the end of 2022, reflecting the Bank's continued commitment to Board refreshment and diversity of the Board.

### Board diversity matrix

Total number of directors: 11

	Female	Male
<b>Gender identity</b>	4	7
<b>Demographic background</b>		
African American or Black	1	—
White	3	7
LGBTQ+	1	—

### Board of director governance practices

Our corporate governance profile relating to the Board of Directors includes:

- All Board committees other than the Executive Committee chaired by independent directors
- Majority independent directors
- Annual election of directors
- Stock ownership guidelines for directors
- Annual Board and committee self-assessments

## Board evaluations and self-assessments

As an enhancement to the Company's existing annual board evaluation and self-assessment process and in an effort to garner more fulsome responses, the Governance Committee implemented a new process with both written and oral components to assess the Board's effectiveness at the Board, committee, and individual director levels. The annual evaluation process is designed to encourage open and candid feedback on the effectiveness of the Board as a whole, the effectiveness of each of its committees, and the effectiveness of each of the respective members. Based on the results and recommendations received, the Board and committees identify opportunities for improvement and work with management to develop and implement plans to address such opportunities for improvement.

For the written component, the Corporate Secretary provided each director with comprehensive written evaluation and self-assessment questionnaires relating to the Board and each of his or her committees, then aggregated the numerical responses to each individual question, and compiled the written recommendations for improvement received from directors on an anonymous basis. The scope of the written evaluations included components of Board/committee governance, such as Board/committee size, meeting frequency, quality and timing of information provided to the Board/committee, director communication, director experience, qualifications and skills, director independence, and oversight of Company strategy. The Corporate Secretary prepared a summary report for each of the Board and committees, showing the average numerical response to each question and the written recommendations for improvement and other comments provided by the directors.

For the oral component of the evaluations, the Chair of the Governance Committee conducted individual interviews with each director to obtain his or her general feedback, and specifically focused on topics including Board refreshment, the director selection process, the desired experience, qualifications, and skills of potential director nominees, director performance, effectiveness of Board and committee leadership, Board and committee leadership succession planning, effectiveness of the Board and committees, and director onboarding.

## Risk management strategy

We believe that effective risk management is of paramount importance to the success of our Bank. Our business exposes us to various risks, including credit, interest rate and price, market, liquidity, operations, information technology, compliance, strategic, reputation, legal, human resources and capital. As a result, under the direction of the Board of Directors, management has established a comprehensive enterprise-wide risk management process that monitors, measures, evaluates and controls these core risks. Our Enterprise Risk Management function provides and supports an integrated risk management program and system that allows management and the Board to understand and manage the key risks to the organization. Our ERM framework aligns with regulatory guidance and expectations.





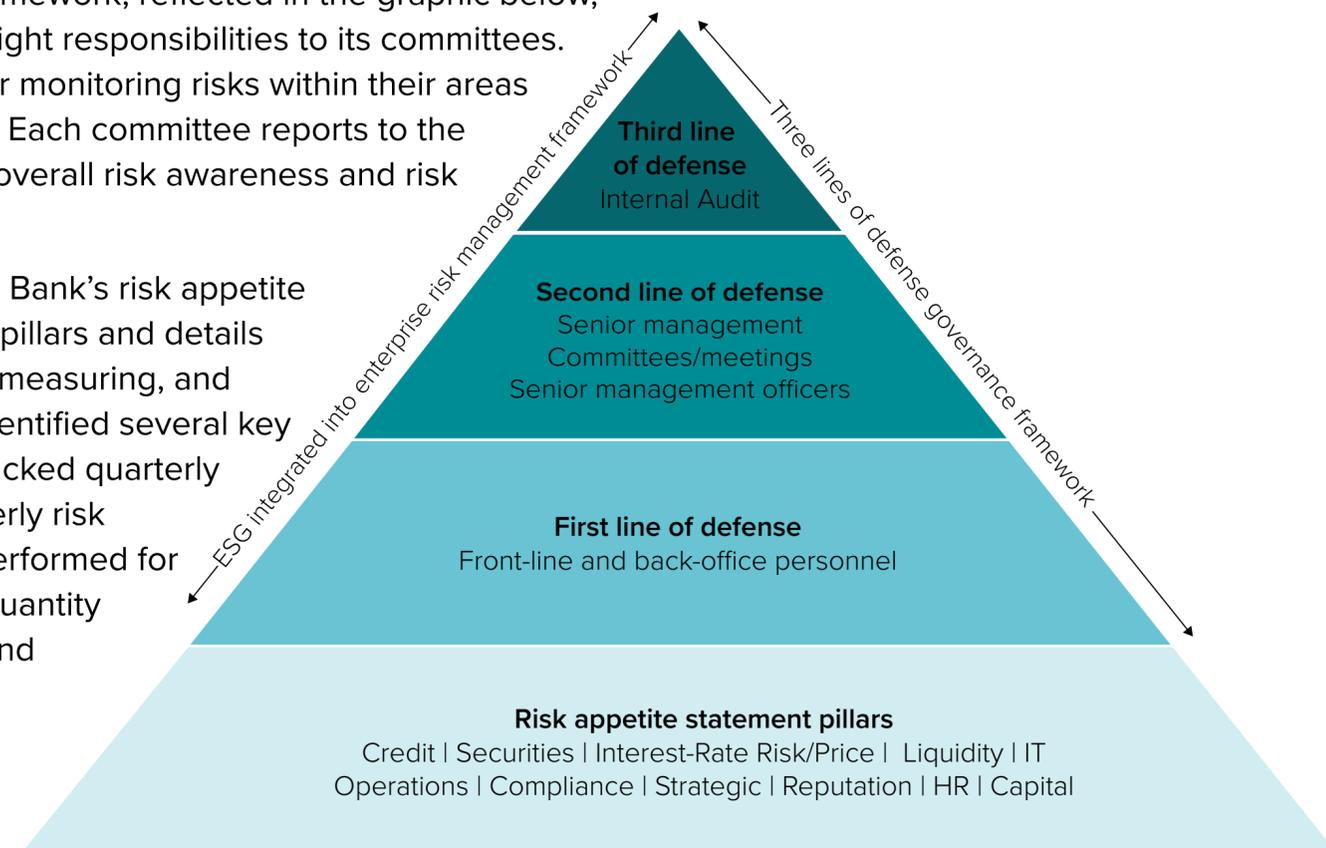
Our Chief Risk Officer oversees the key risk functions, which are staffed with highly specialized risk professionals certified in their areas of expertise. Additionally, we maintain an independent audit function with the Chief Audit Executive reporting directly to the Board’s Audit Committee and a co-sourced credit review function that reports to the Board’s Risk Committee.

Under the Bank’s governance structure and applicable law, the Board is ultimately responsible for overseeing the Bank’s risk management processes, which include effective challenge of management’s strategic decisions and initiatives. We employ the Three Lines of Defense governance framework, reflected in the graphic below, and the Board has delegated certain oversight responsibilities to its committees.

Each of these committees is responsible for monitoring risks within their areas of responsibility as well as Bank-wide risks. Each committee reports to the Board and is responsible for ensuring that overall risk awareness and risk management are appropriate.

Our risk appetite statement establishes the Bank’s risk appetite and risk tolerance for each of our core risk pillars and details the policies and procedures for assessing, measuring, and controlling these risks. Management has identified several key risk and performance indicators that are tracked quarterly and reported to the Board through a quarterly risk dashboard. Annual risk assessments are performed for all core areas of operations to assess the quantity of inherent risk, the adequacy of controls and resultant residual risk. We have developed operational process maps for each key operations function, and we’ve mapped all primary and Sarbanes-Oxley controls to these processes. We maintain a current and comprehensive control library, a sampling of which are tested and validated by our Internal Audit department for each applicable auditable entity.

Management is responsible for day-to-day risk management. The Chief Risk Officer provides the Board, directly or through the Risk Committee, with regular reports on the operation and effectiveness of the ERM program, the top and emerging risks to our business and the controls and other mitigating factors utilized to manage those risks. Our Internal Audit, Risk Management, Information Technology, Human Resources, Legal, Credit Administration, Accounting, Finance and Treasury, Compliance and Legal departments, among others, monitor compliance with Bank-wide policies and procedures and the day-to-day risk management of the Bank. We believe that this approach to risk management adequately addresses the Bank’s internal and external risks.



## Climate risk impacts

In light of proposed SEC rules on climate-related disclosures, Federal Reserve, Office of the Comptroller of the Currency (“OCC”) and FDIC discussions around climate risk management, and the potential factors associated with physical and transition risk impacted by climate change, in 2022, we began the process of incorporating climate risk impact considerations into our ERM framework. We recognize for many investors and communities, climate change could pose significant financial challenges and opportunities now and well into the future. Though we are in the beginning stages, we believe that by incorporating climate risk factors into our ERM program, including our risk appetite statement, we can better prepare our business for the potential adverse impacts of environmental changes both internally as an organization and externally in better serving our communities, clients, and shareholders.

We intend to align our ERM program and financial reporting with the anticipated regulatory and SEC guidance, as applicable, as well as leverage recommendations within the TCFD framework as we develop our climate risk strategies. Recognizing that climate-related financial disclosure reporting is imminent, in some form, we are preparing our Board, management and employees for the upcoming reporting challenges through education and awareness. In 2022, we hired an ESG Officer and an Associate ESG Officer to expand our ESG program and prepare us for forthcoming climate risk rules and disclosure requirements.

## Compliance & training

The Bank has established and maintains a Compliance Management System (“CMS”) to ensure it operates in accordance with applicable regulatory requirements. The CMS is comprised of policies and procedures, an employee training program, and monitoring and responding to customer complaints. Effectively implementing the CMS helps ensure the Bank better serves its clients by providing all of the protections and benefits established by lawmakers and reducing or avoiding the Bank’s exposure to enforcement actions, litigation and loss of its positive reputation.

Our people are the core of our business and are central to implementing our governance strategy. Employee training is critical to our corporate compliance to ensure our employees understand internal policies and regulatory guidance specific to their roles and responsibilities.

All new hires are required to complete a series of online training courses and attestations within their first 60 or 90 days of employment

### 2022 Training

2,409  
employees completed  
training

54,319  
training courses  
completed

94%  
of employees completed  
diversity training





and complete the remaining training applicable to their roles and responsibilities throughout the year. Our emphasis on personal responsibility, accountability and integrity across the Bank, at all levels, is part of our fundamental commitment to serving the public in an honest and ethical manner.

## Customer complaints

Our customer complaint volume remains low. There are no particular trends or patterns that are a cause for concern, and there have been no complaints that raise potential Fair Lending or Unfair, Deceptive, or Abusive Acts or Practices (“UDAAP”) concerns. Our process to manage and track customer complaints provides detailed reporting that allows us to identify trends and potential concerns and take appropriate action. We work to proactively address any related potential or actual regulatory findings to prevent their recurrence and to manage and mitigate our legal, reputational and compliance risk.

## Anti-corruption & anti-money laundering

United States anti-money laundering (“AML”) and anti-terrorism requirements, including those set forth in the Bank Secrecy Act (“BSA”) and the Office of Foreign Assets Control (“OFAC”), are essential to our Bank operations and an integral facet of our risk management strategy. We maintain robust policies and procedures on anti-corruption and anti-money laundering with an AML team dedicated entirely to this program. Our AML team designations include:

- Advance Certified Anti-Money Laundering Specialist (“CAMS”) Audit designation, which provides AML professionals with the tools to independently assess anti-financial crime controls
- Certified Fraud Examiner designation, which provides skills in preventing, detecting and investigating fraud
- Certified Financial Crimes Investigator designation

Our AML programs are designed to ensure that our clients, the Bank, the U.S. financial system and our country are protected from illicit actors who exploit banking services with malicious and criminal intent. In 2022, the BSA department strengthened its program by adding several new certifications in different spaces, including:

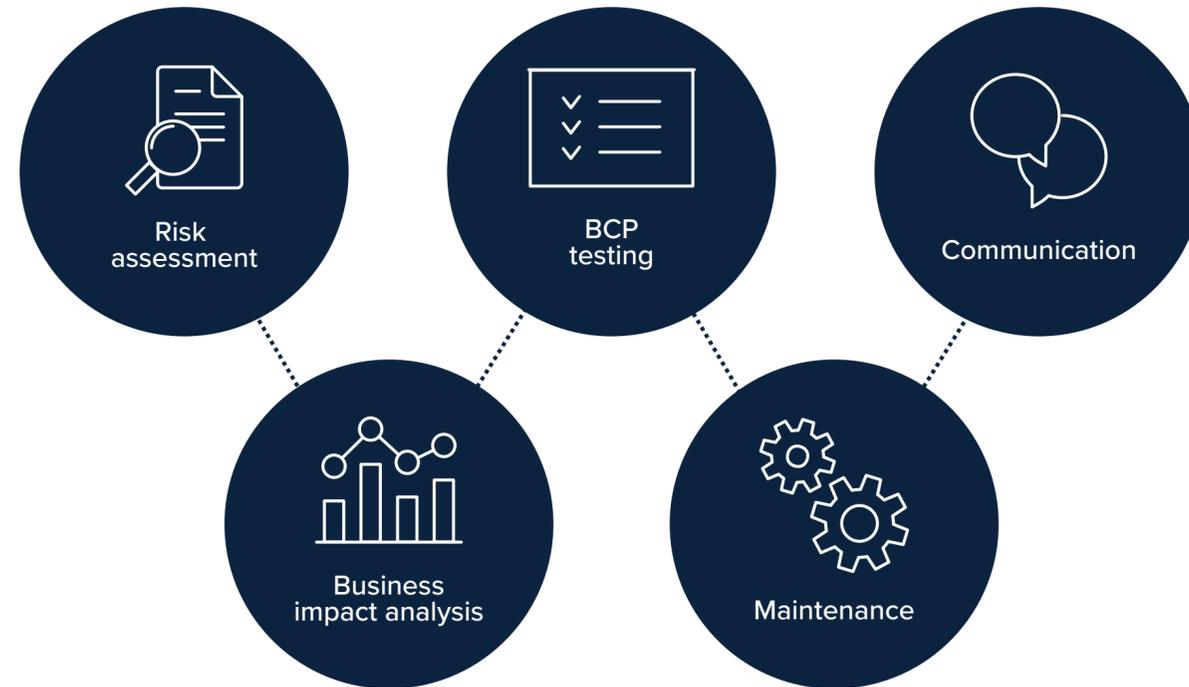
- Two Certified Global Sanctions Specialists as a result of the invasion of Ukraine and adherence to new U.S. Sanctions against Russia
- One Certificate in Trade Finance Compliance
- One Certified Trade Finance Professional designation to assist with reviewing Trade Finance transactions for compliance with OFAC and the Bureau of Industry and Security standards
- Two Virtual Currency and Blockchain Certifications to strengthen AML expertise in the always-evolving Crypto space
- One Certified Transaction Monitoring Associate designation for compliance in transaction monitoring and AML
- One additional Certified AML Specialist from ACAMS, the standard of AML professional compliance. In total, the department has 10 CAMS

## Business continuity

Our Business Continuity (“BCP”) and Disaster Recovery (“DR”) program ensures business plans and resilience strategies are in place to maintain and recover critical business operations when an incident occurs. Incidents may include power outages, inclement weather, natural disasters, technology and vendor outages, cyber incidents, human error, pandemics or civil unrest. Our BCP/DR plans are tested regularly and encompass life safety, technology and business process recovery, incident management and crisis communications.

In 2022, we established a new partnership with a situation awareness firm that provides targeted, timely and relevant information about incidents and outages that emerge due to weather and climate-impact-related risks and a range of other disruptions (e.g., civil unrest, active shooter, etc.) within our geographical footprint.

The situation awareness alerts have augmented the organization’s proactive approach to incident management and risk mitigation. We assessed critical business functions and key locations as part of our 2022 Business Impact Analysis. The functions and locations were rated for the likelihood of an event occurring and the impact the event would have on business operations in the absence of controls. Mitigating controls were then applied. Because technology is pervasive in Bank operations, technology threats and insider threats, whether accidental or intentional, are also assessed consistently across all business functions and locations, with controls in place to ensure the continuity of operations given various scenarios.



## Ethics & whistleblower complaints

We are committed to conducting our business with integrity, which is foundational to our success and reputation. Our Code of Business Conduct and Ethics (the “Code”) sets forth specific standards of conduct that we expect from all of our employees in accordance with the highest ethical standards of the financial industry in compliance with laws regulating the conduct of the Bank. Our Code covers conflicts of interest, including gifts, confidentiality, fair dealing, and compliance with laws and regulations, including insider trading.

Policies, procedures and management oversight are all in place to support and align with our commitment to business integrity. Any employee who becomes aware of any existing or potential violation of laws, rules, regulations, or the Code





must notify a Conduct and Ethics Committee member or report potential violations anonymously via a website or toll-free telephone reporting hotline, which a third-party vendor maintains. Employees must have confidential methods to report existing or potential violations without concern of retaliation. Employees are reminded of the whistleblower reporting system annually through an executive communication. They are also required to acknowledge the Code annually as part of their required employee training and certifications.

## ESG policies

Given the dynamic and evolving nature and expansion of environmental, social and governance risk and opportunity topics impacting the Bank, we strive to continually advance our approach to ESG thinking to ensure consistency with societal, regulatory, and environmental expectations. This includes making our operations more sustainable, fostering an inclusive workforce, and addressing issues where we can have the greatest impact. Our policies in this space govern our commitment to ESG beyond theory, but in practice.

Our ESG policy and practices will continue to expand as the ESG regulatory landscape evolves. However, our key governance policies include:

- Environmental Social Governance (ESG) Risk Policy
- Enterprise Risk Management (ERM) Policy
- Bank Secrecy / Anti-Money Laundering Policy
- Business Continuity & Diversity Recovery Plan
- Corporate Governance Guidelines
- Code of Business Conduct and Ethics
- Community Reinvestment Act (CRA) Plan & Policy
- Compliance Program Policy
- Customer Complaint Policy
- Diversity, Equity & Inclusion Policy
- Fair Lending Policy
- Equal Credit Opportunity Act Policy
- HR Employee Handbook
- Information and Cybersecurity Policy
- Responsible Investment Policy
- Vendor Management Policy

## Our commitment to ESG

We take our responsibility seriously to respond quickly to changes in the market by understanding, quantifying, and managing the risks that impact our business. These risks reside squarely within the environmental, social and governance space. At PWB, we take pride in our strong relationships with our customers, communities, regulators, employees and stakeholders. We are deeply rooted in our communities. Our employees are our greatest assets. As a regulated financial institution, we take risk management and compliance very seriously. We strive to be a good corporate citizen within our communities and industry. We are committed to fostering an inclusive and engaging workplace where our employees can thrive, and our customers and stockholders can flourish.

# Appendix

## Materiality - Defined

Identifying material environmental, social and governance (ESG) topics that have or can potentially directly impact PWB or its stakeholders (e.g., stockholders, employees, customers, local communities, vendors, regulators).

## Materiality assessment

Fundamental to a credible ESG program is the ongoing assessment of the most important sustainability issues. Through research, including internal and external stakeholder interviews and surveys, internal documentation review, analysis of various ESG framework standards, and peer benchmarking, the team analyzed a list of ESG topics using a materiality framework specific to PWB. This process was facilitated by an external advisory firm of ESG experts who worked closely with our Executive ESG Committee members in 2022, which produced the following insights and deliverables:

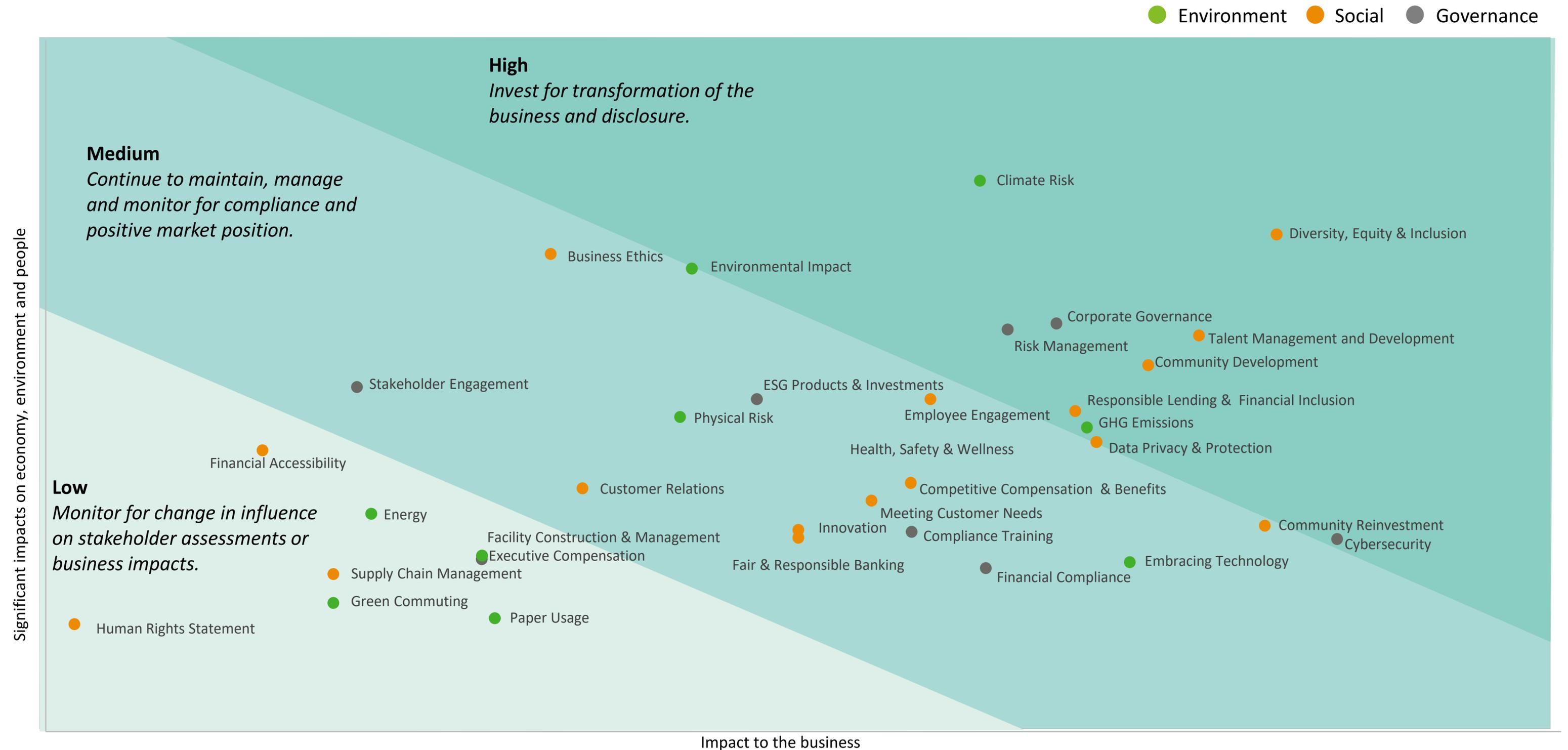
- The assessment produced a mapping (“materiality matrix”) of the Bank’s most significant ESG topics in order of importance to the business and its stakeholders.
- This mapping informed the Bank’s ongoing ESG disclosures and integration of ESG into the business strategy. Note: Impending SEC guidance on climate risk disclosures will serve as key inputs into our disclosure strategies and mapping to include TCFD and ISSB climate frameworks once finalized. ESG Materiality Matrix results are presented on the following page.

## Example questions from materiality assessment survey & interviews

- Of the extensive list of ESG topics that were shared with you, which topics do you think the Bank could have the greatest social, economic, or environmental impact?
- Which areas do you think could have the greatest positive or negative impact to the business if PWB did or did not address them?
- Which of the topics, if not properly addressed, could impact your desire to continue your relationship with PWB?
- What topics may not be a priority now, but will be in the near future (1-3 years)?

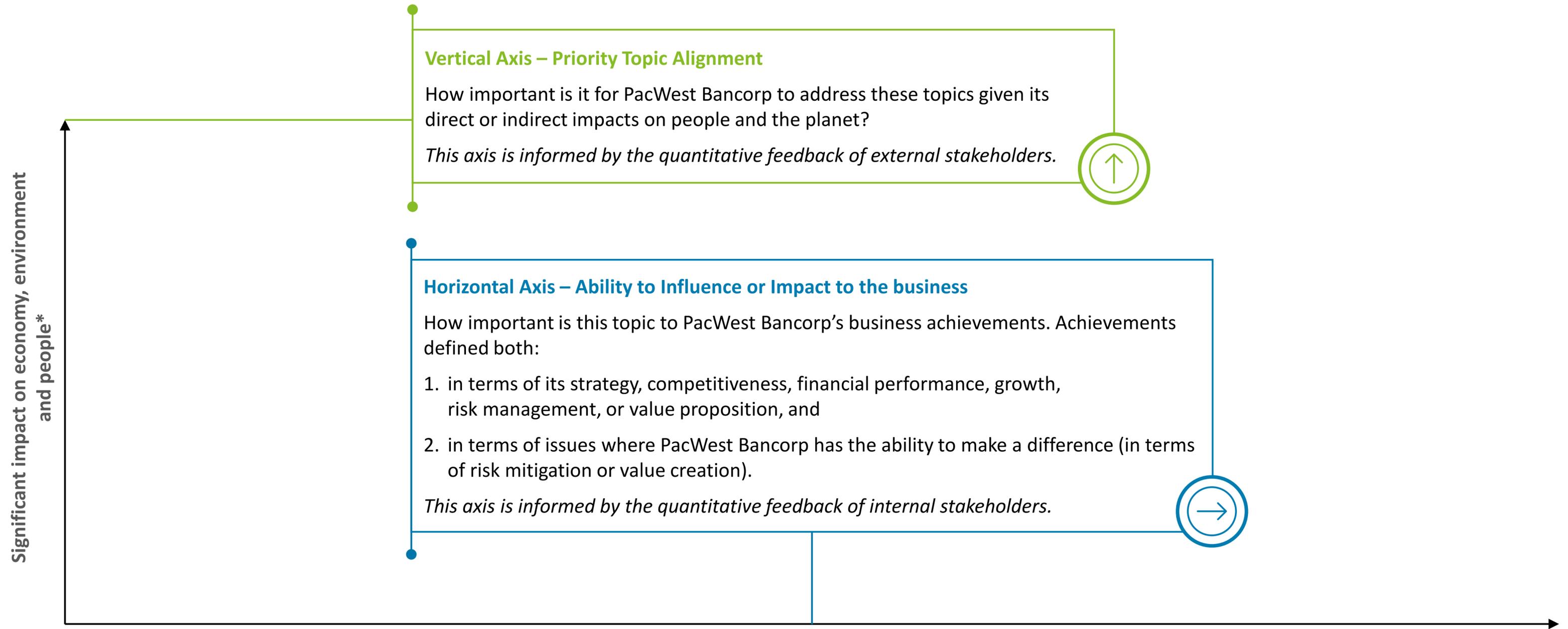
# Results – ESG Materiality matrix

Stakeholder and business engagement resulted in a prioritized map of PacWest Bancorp’s material ESG topics.



# Results – ESG Materiality Matrix

How are topics prioritized?



\*As determined by external stakeholders

\*\*As determined by the business

PacWest Bancorp is committed to providing investors and other stakeholders with meaningful data on our environmental, social and governance (ESG) performance, underscoring our long-standing pledge of transparency and accountability.

## 2022 SASB disclosure

### Commercial bank (2018)

This report is in accordance with the Sustainability Accounting Standards Board (SASB). Our goal in providing this SASB Index is to enable relevant comparisons of our ESG performance with peer companies. We are using SASB's Commercial Bank Standards, Version 2018-10, which are most applicable to our core operations. SASB focuses on this connection between businesses and investors, on the financial impacts of sustainability and, specifically, on how sustainability issues can create or erode enterprise value. Unless otherwise specified, the data and descriptions are current as of year-end 2022.

There is one key contextual issue to take into account when reviewing our SASB disclosure. As a commercially focused Bank, the majority of our customers are businesses and the principals of those businesses. Retail banking services to the general public are not a material focus of our business. As a result, metrics related to retail banking activity and retail aspects of financial inclusion are not material and/or relevant for our strategy and SASB disclosure.

SASB Code	Metric	Reporting Status	Response	Source(s)
<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	Partially Reporting	Any material cybersecurity incidents would be reported in the 2022 Annual Report.	2022 Annual Report
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Fully Reporting	Refer to 2022 Annual Report, Item 1. Business, Information Technology Systems subsection (pages 15-16) Refer to 2022 ESG Report, Corporate Governance, Ethics and Risk Management (pages 31-37)	2022 Annual Report 2022 ESG Report
<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	Fully Reporting	Reported in Call Report for 4Q22 (Schedule RC-C Part II, Items 3 and 4): 1. 1,235 loans 2. \$490 million Reported in Call Report for 4Q22 (Schedule RC-M, Items 17a and 17b) 1. 33 loans (Paycheck Protection Program) 2. \$10 million Refer to 2022 ESG Report, Community Development & Reinvestment section for more information on the Company's small business and community development support (pages 26-30)	4Q22 Call Report 2022 ESG Report
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	Fully Reporting	Reported in Call Report for 4Q22 (Schedule RC-N, Item 11) 1. 28 loans 2. \$15.7 million	4Q22 Call Report
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously underbanked, or underserved customers	Not Reported	Not previously reported	-

SASB Code	Metric	Reporting Status	Response	Source(s)
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Partially Reporting	Refer to 2022 ESG Report, Community Development & Reinvestment – Employee Volunteerism & Our Commitment to Corporate Social Responsibility section for more information on the Company’s volunteerism supporting the delivery of financial education in partnership with community-based organizations (page 30)	2022 ESG Report
<b>Incorporation of Environment, Social, and Governance Factors In Credit Analysis</b>				
FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Fully Reporting	Refer to 2022 Annual Report, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, Balance Sheet Analysis - Loans and Leases. Disclosure of commercial loans and leases by industry is presented in the table “Loans and Leases Held for Investment” (page 67)	2022 Annual Report
FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Not Reported	Not previously reported	-
<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	Fully Reporting	Refer to 2022 Annual Report, Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements, Note 14. Commitments and Contingencies, Legal Matters subsection (page 155)	2022 Annual Report
FN-CB-510a.2	Description of whistleblower policies and procedures	Fully Reporting	Refer to Section II. “Administration and Compliance Standards” in the <a href="#">Code of Business Conduct and Ethics</a> on the Company’s website.  Refer to 2022 ESG Report – Corporate Governance, Ethics and Risk Management, Ethics and Whistleblower Complaints (page 36-37)	PacWest Bancorp Code of Business Conduct and Ethics  2022 ESG Report
<b>Systemic Risk Management</b>				
FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Fully Reporting	Refer to 2017 Company-Run Stress Test Disclosure previously required under the Dodd-Frank Act on the Company’s website	2017 Company-Run Dodd-Frank Stress Test disclosure
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	Fully Reporting	Refer to 2022 Annual Report, Item 1. Business, Supervision and Regulation subsection - Stress Testing (page 23)	2022 Annual Report
<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	Partially Reporting	Refer to 2022 Annual Report, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, Balance Sheet Analysis – Deposits & Client Investment Funds (pages 78-79)	2022 Annual Report
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Partially Reporting	Refer to 2022 Annual Report, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, Balance Sheet Analysis – Loans and Leases Held for Investment (pages 67-71)	2022 Annual Report
<b>Employee Diversity and Inclusion</b>				
FN-AC-330.a.1	1) Percentage of gender and racial/ethnic group representation for executive management, (2) Percentage of gender and racial/ethnic group representation for non-executive management, (3) Percentage of gender and racial/ethnic group representation for professionals, (4) Percentage of gender and racial/ethnic group representation for all other employees	Partially Reporting	Refer to 2022 Annual Report, Item 1. Business, Human Capital Management subsection (pages 17-19)  Refer to 2023 Proxy Statement – Our directors: Board diversity and inclusion (page 17) and Corporate governance matters: ESG matters (pages 30-33)  Refer to 2022 ESG Report – Social Impact, 2022 Gender & Racial Diversity at a Glance (page 17)	2022 Annual Report  2023 Proxy Statement  2022 ESG Report

## Forward-looking statements

This Environmental Social Governance Report contains forward-looking statements about the Company's future ESG activities, plans, objectives and expectations.

All statements contained in this Report that are not clearly historical in nature are forward-looking, and forward-looking statements can be identified by words such as “anticipates,” “assumes,” “intends,” “believes,” “forecasts,” “expects,” “estimates,” “plans,” “continues,” “will,” “should,” “look forward” and similar expressions. You should not place undue reliance on these statements as they involve risks, uncertainties and contingencies, many of which are beyond our control, which may cause actual results, performance, or achievements to differ materially from those expressed in them. Actual results could differ materially from those anticipated in such forward-looking statements as a result of risks and uncertainties. All forward-looking statements included in this Report are based on information available at the time the statement is made. We are under no obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.

For more information about factors that could cause actual results to differ materially from expectations, please refer to our reports filed with the Securities and Exchange Commission (“SEC”), including the discussion under “Forward-Looking Information” and “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022 as filed with the SEC and available on its website at [www.sec.gov](http://www.sec.gov).

## Securities and Exchange Commission filings

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports are available free of charge on our website as soon as practical after they are electronically filed with or furnished to the SEC. These reports and amendments also are available free of charge on the SEC's website at [www.sec.gov](http://www.sec.gov).

## Non-GAAP measurements

The ESG-related statistics and metrics contained in this report are disclosed voluntarily and are not required by generally accepted accounting principles (“GAAP”) and, thus, are considered non-GAAP measurements. The ESG-related statistics and metrics contained in this report undergo an internal review process to ensure accuracy and completeness; however, they are not audited by our independent registered public accounting firm.