



2021 Environmental, Social and Governance Report

CENTRAL
PACIFIC
BANK

cpb.bank

Letter from the Executive Committee

To Our Valued Stakeholders,

At Central Pacific Bank and Central Pacific Financial Corp., having a strong culture of social responsibility and being environmentally responsible is a way of life. We invest in this community not only because it's the right thing to do, but because this has been our home for the past 68 years. Our roots run deep in our island soil, and it's only through proper care and nurturing that we can continue to grow a truly vibrant community.

Today, CPB is a Hawai'i-based, full-service financial institution with more than 800 employees. In an evolving business landscape, environmental and social issues are an essential part of CPB's vision to build resiliency, create value for CPB shareholders, and continue the legacy of our founders. The stewardship of healthy communities and sustainability is a critical priority that helps us attract a diverse and talented workforce, and create opportunities to grow our business.

In 2020, with the COVID-19 pandemic causing economic and social challenges, CPB continued its strong legacy of serving our communities when the people of Hawai'i needed us most. Our founders created CPB just after WWII, during a similar time of change and transition. Back then, CPB provided fair and equitable financial resources to those dreaming of buying a home, starting small businesses, and building a life beyond the plantation fields. Ever since, we've prided ourselves in standing for inclusivity, opportunity, and doing the right thing.

In 2021, we focused our attention and investment towards helping our local communities thrive. Whether in supporting education, healthcare, charitable organizations, or local culture, CPB helped bring our communities together after a year of uncertainty and separation. CPB also supported programs that strengthened Hawai'i's economic growth, including investments in small businesses, women entrepreneurs, and renewable energy.

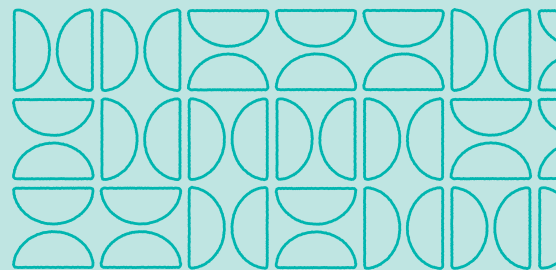
We will always remain rooted in the aloha spirit that CPB was founded upon. We have become the local leader in digital banking while still honoring our history and caring for our customers in the best way possible. Our commitment to the people of Hawai'i is stronger than ever, and we're looking forward to continuing to be the place where people truly like banking.

Paul K. Yonamine
Executive Chairman

Catherine Ngo
Executive Vice-Chair

Arnold Martines
President and
Chief Operating Officer

David Morimoto
Senior Executive
Vice President and
Chief Financial Officer



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CPB's Executive Committee.
Left to right: Catherine Ngo, Executive Vice Chair; David Morimoto, Senior Executive Vice President and Chief Financial Officer; Arnold Martines, President and Chief Operating Officer; and Paul Yonamine, Executive Chairman.

The Four ESG Pillars of CPB

ESG stands for environmental, social, and governance. ESG is a framework to integrate environmental, social, and governance risks and opportunities into a company's strategy to create value and build long-term financial sustainability. At CPB, we have four ESG pillars:

Corporate Governance

Protect and enhance the interests of shareholders with strong Board and executive leadership and sound corporate governance and risk management practices.

Support of the Community

Be a leader in support of small business and in philanthropic initiatives across Hawaii.

Support of Employees

Recruit and retain an exceptional, diverse workforce and maintain commitment to the health, well-being and success of these employees.

Environmental Initiatives

Preserve the natural resources of our islands by implementing energy efficiency and other "green" practices across the organization, and setting targets to increase our customer base and financing in projects in the renewable energy and climate change adaptation sectors.



Our Core Values

Voyaging Spirit

Our vision, determination and perseverance brought us into the world. These same qualities will push us forward.

Positively 'Ohana

We were founded by the community, for the community. We've always seen our customers as members of our extended family.

ESG Disclosures

We are committed to reporting that is in alignment with leading ESG frameworks to ensure that our disclosures are consistent with leading best practices and helpful to our stakeholders. In 2021 we released our inaugural disclosures in accordance with the Sustainability Accounting Standards Board (SASB) Commercial Banks, Mortgage Finance, and Consumer Finance Sustainability Accounting Standards. All of our ESG related disclosures, including our SASB disclosures, can be found on our investor relations website at ir.cpb.bank/Corporate-Social-Responsibility.

We Stand for Our Community

A Legacy of Inclusion

Central Pacific Bank is rooted in Hawai'i's local community, anchored by perseverance, commitment, and compassion. CPB was founded in 1954 by a small group of Nisei WWII veterans who returned home to Hawai'i as decorated heroes, only to find social and economic injustices against them and the immigrant population. With a passion to create change, they founded a bank that would serve all the people of Hawai'i. They believed that by providing opportunities for all people regardless of race, they could realize their greatest potential, and that their vision would one day become a legacy for future generations.

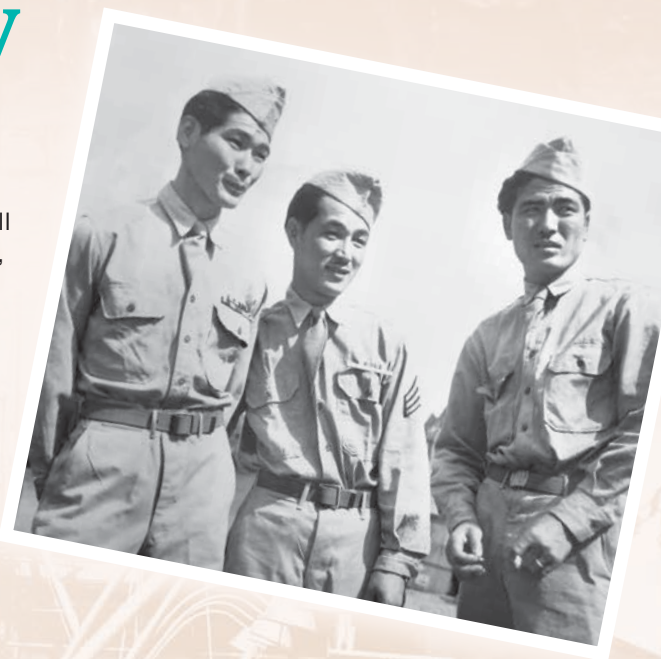
Today, CPB continues to perpetuate the beliefs of our founders. We honor their legacy by engaging in ethical and compliant business practices and sound risk management. We give back by investing in our communities. We move forward by hiring and supporting a diverse workforce that's inclusive of all ethnicities, faiths, sexual orientations and gender identities. And we protect our islands by taking steps to preserve the natural resources of our 'aina.

Brand Promise

- To carry forward our legacy and an unwavering commitment to service – we stand for inclusivity, opportunity, and doing the right thing.
- To commit to the financial health of our customers so that, together we can build a stronger Hawai'i.
- To push forward with vision, determination and perseverance.
- To treat our customers as members of our extended 'ohana.

How We Serve

Since its inception, CPB has served as an essential bank for Hawai'i's communities, and we are committed to making our island home a better place to live. In today's ever-changing business environment, we are investing in powerful projects – from homegrown entrepreneurship to community reinvestment – to fostering sustainability and economic growth. Internally, we strive for an inclusive, healthy work environment and to be an organization that attracts and retains top talent. Finally, we are investing in secure digital technology to enable our customers to bank from anywhere they choose, quickly, safely, and conveniently.





Central Pacific Bank Leadership

Strong corporate governance shepherded by the boards of Central Pacific Financial Corp. and Central Pacific Bank as well as our Executive Committee drive trusted and transparent business practices, intelligent risk management, and long-term sustainability. This leadership, combined with effective strategies and policies, contribute to CPB’s culture of high ethics, integrity, and compliance.

CPB Board of Directors

As of February 1, 2022, CPB’s Board is comprised of 12 directors with deep business and community ties in Hawai’i and beyond. Seventy-five percent are independent, and all are esteemed business and community leaders who bring to the table dynamic value and expert skill sets, including banking, accounting, technology, marketing, retail, insurance, real estate, and law. Notably, the Board strives for inclusive representation being 33% female and 83% diverse (meaning directors who self-identify as one or more of: Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races or ethnicities).

The Board is fully engaged and meets regularly, setting strategy and providing ongoing oversight for CPB’s business plans, budgets, and performance. They oversee CPB’s risk appetite and receive regular reports on ESG and risk management. They also adopt the Corporate Policies and Procedures critical to creating an environment where employees act with ethics and integrity and comply with all laws. Focused oversight is provided by Board Committees, including the Audit Committee, Governance Committee, Compensation Committee, Directors Loan Committee, Trust Committee, and Compliance Committee.

Specific measures within the Board structure itself ensure effective governance. The Board appoints a lead independent director, with specific authorities given to her independent of CPB’s executive team and day-to-day operations. To scrutinize and ensure maximum effectiveness, the Board also conducts self-assessments on an annual basis, measuring strengths of the Board and Committee structure, while identifying areas of improvement.

CPB’s current board of directors. Standing from left: Jonathan Kindred, Earl Fry, Saedene Ota, Paul Kosasa, Christine Camp, Duane Kurisu, Wayne Kamitaki. Sitting from left: Crystal Rose, Paul Yonamine, Catherine Ngo, Colbert Matsumoto, and Christopher Lutes.





CPB Executive Committee

CPB’s management level Executive Committee drives execution on the company’s strategy, including annual business plans, capital plans, and budget. The Executive Committee is also charged with optimizing organizational structure, including succession planning to ensure a strong future for the organization.

At the highest level, CPB’s Board and Executive Committee lead by example, upholding the code of conduct, ethics, and internal controls while maintaining transparent stockholder communications through press releases, quarterly earnings calls, SEC filings, proxy, and 10-K reports, and shareholder engagement calls. They are also active in various non-profit community causes.

Strategic Plan and Business Plan

CPB’s Board annually adopts a Business Plan and updates a three-year Strategic Plan. ESG plans and goals are incorporated into these plans and our executive’s incentive compensation plan is tied to the successful completion of our Business Plan initiatives, including ESG. Regular updates on the status of Business Plan goals, including ESG goals, are given to the Board.

Central Pacific Bank Board

75% INDEPENDENT
(9 OF 12 DIRECTORS)

33% FEMALE
(4 OF 12 DIRECTORS)

83% ETHNICALLY DIVERSE
(10 OF 12 DIRECTORS ARE NON-CAUCASIAN OR MORE THAN ONE ETHNICITY)



Central Pacific Bank Employees

66% FEMALE

90% ETHNICALLY DIVERSE

HawaiiBusiness
magazine

**“Best Places to Work
13 Years Running”**





Sound Risk Management

Strong policies, disciplined training, internal controls, and monitoring contribute to CPB's approach to risk management. CPB conducts training on an ongoing basis, covering compliance and regulatory topics, as an expectation of all employees. Complaints, quality assurance, and internal controls are diligently monitored and tested with internal and independent audits, with results consistently reviewed by CPB's leadership and Board.

Information Security

CPB remains fully committed to safeguarding the confidentiality and integrity of our customers' information, especially in an increasingly digital world. The CPB Board and Compliance Committee annually review and approve CPB's information security program policy and receive regular reports on potential issues, risk posture to protect against cyber security threats, and cyber security policies. CPB's robust information security program includes cybersecurity risk assessment, controls, monitoring and testing, and information security training of CPB employees regularly and upon hire. CPB's Information Technology and Information Security Departments are annually audited by an independent internal auditor and examined by the Federal Deposit Insurance Corporation (FDIC).

“Central Pacific Financial is committed to running its business at the highest level of ethics and integrity, and with a keen focus on supporting our customers and employees.”

– Crystal Rose, Lead Independent Director, Central Pacific Financial Corp. and Central Pacific Bank



Central Pacific Financial’s top-notch corporate governance, paired with the leadership of its Board and executive team, ensure optimization of the interests of our shareholders, as well as our employees, customers and community.”

– Paul Kosasa, Chair, Governance Committee,
Central Pacific Financial Corp. and Central Pacific Bank

Corporate Policies and Business Ethics

While there are many policies CPB maintains, one of high organizational importance is the Code of Conduct & Ethics applicable to all employees, officers, and directors. It is reflective of preserving, promoting, and fostering the highest ethical conduct, addressing conflicts of interest, corporate opportunities, honesty and integrity, securities trading, fair dealing, diversity and inclusion, confidentiality, protection, and proper use of CPB assets. It also encourages the reporting of any suspected violation of the Code through robust reporting protocols and whistleblower protections.

The Code of Conduct & Ethics for Senior Financial officers covers the Executive Chairman, President, CFO, Controller, and other principal financial officers, accounting officers, or any person performing any similar role.

When they’re hired and annually thereafter, CPB employees must certify that they have read and understood the Code or codes applicable to them. Waiving of any provision of the Code can only be done by CPB’s Board.

Additional Policies

- **Corporate Governance Guidelines:** Sets the role of CPB’s Board, including the qualification and nomination process for directors.
- **Company Stock Trading Policy:** While CPB does encourage employee and director support of the company through stock ownership, there are strict guardrails in place to prevent insider trading.
- **Sexual Harassment & Other Forms of Harassment Policy:** With zero tolerance for harassment of any nature, CPB maintains stringent procedures for investigation, discipline, prohibition of retaliation, and confidentiality.
- **Whistleblower Protection:** CPB has strong whistleblower and anti-retaliation protections through its Complaint Policy, which encourages the reporting of complaints and infractions through designated internal channels or if preferable, through an anonymous alert line hosted by an external third-party.



CPB is committed to communicating with its customers clearly, completely, and in compliance with all applicable consumer protection laws.



Bank Secrecy Act, Anti-Money Laundering and Fraud

As a financial institution, CPB maintains bank secrecy, anti-money laundering, and fraud programs to identify and report suspicious activity and transactions, and to take action to prohibit and stop activity that is believed to be illegal, criminal, or fraudulent.

CPB's anti-money laundering program includes internal policies, procedures and controls, a designated compliance officer, employee training, and testing of the program by an independent internal auditor. It is designed to comply with applicable laws and regulations relating to anti-money laundering, counter-terrorist financing, and Office of Foreign Assets Control.

Responsible Marketing

CPB is committed to communicating with its customers clearly, completely, and in compliance with all applicable consumer protection laws, such as the federal Truth in Savings Act and federal Truth in Lending Act. CPB's legal and compliance teams regularly review communications with customers such as notices, disclosures, statements, and agreements to ensure compliance with laws and regulations and for clarity of terms and provisions. Advertisements are reviewed for adherence to compliance with laws and regulations and to ensure that they are not deceptive or misleading.

Responsible Sales Practices

CPB is subject to strict regulations for responsible sales practices. Employees receive regular training on compliance with sales regulations. CPB also has channels, including an anonymous hotline, to report inappropriate sales practices.



Central Pacific Plaza at King and Alakea.

Renewing Our Commitment to Hawai‘i

This was a year of exciting change for Central Pacific Bank. Since 1954, CPB has proudly served our customers, our communities, and Hawai‘i’s small businesses. On January 26, 2021, CPB unveiled a newly refreshed brand, a renewed commitment to serving our customers in a digital world, and a state-of-the-art Flagship Main Branch in Downtown Honolulu to better serve our communities. This vibrant transformation continues the legacy of aloha from CPB’s past and provides a forward-thinking foundation for the future. Today, CPB is truly a place “Where People Like Banking,” and every initiative in 2021 reaffirmed a tireless commitment to investing in Hawai‘i, our customers, and the community in general.

Support of Customers

As the COVID-19 pandemic persisted into 2021, CPB’s commitment to helping local businesses endured, originating 23% of the 2021 Paycheck Protection Program (PPP) loans to small businesses in Hawai‘i. The health and safety of our customers remained a top priority as CPB’s branch network remained fully committed to serving customer needs, and online and alternative banking options were also made available to provide uninterrupted, safe, secure, and convenient service.

The most visible symbol of CPB’s brand relaunch was the opening of the Flagship Main Branch in Central Pacific Plaza in Downtown Honolulu. With a blessing on January 4, 2021, the branch was redesigned to become a modern gathering place for customers and the public to bank and to collaborate. The open floor concept features a new co-working space called Tidepools@CPB, the Aloha Beer Company, and Hawai‘i’s only Starbucks pickup. The new Tidepools Marketplace kiosk also features rotating pop-up shops for local businesses. This welcoming, experiential hub is now a dynamic gathering place for our customers and our Downtown Honolulu community.

During the year, CPB was recognized by Newsweek as the best small bank in Hawai‘i in its annual ranking of America’s Best Banks. Forbes also named CPB one of the best banks in Hawai‘i in its annual review of America’s Best Banks in Each State. And according to independent third-party research, 98% of all of our customers were satisfied with their banking experience. These recognitions validate CPB’s hard work and continued commitment to building strong relationships with our customers.

ATMs and Digital Offerings

CPB took significant steps to deliver best-in-class digital technology to our customers in 2021. CPB launched Shaka, Hawai'i's first all-digital checking account offered by a local bank. Shaka accounts have no minimum balance (\$25 needed to open account), no monthly fees, an interest rate above the average checking rate in Hawai'i, and the opportunity to get your paycheck up to two days early. Up to \$20 a month in ATM fees are also refunded. Shaka was designed to provide current and new customers the convenience of digital-first banking with the exceptional service and spirit of aloha they expect from CPB, increasing customers' ability to bank from anywhere.

CPB's mobile and online banking options and enhanced ATMs expanded our community's access to banking services, while decreasing their need to travel into a branch. CPB's staff also worked with customers to educate them on ATMs and our digital offerings so that they can perform banking transactions safely and securely outside a branch.

CPB's state-of-the-art ATM network with increased functionalities includes envelope-less cash and check deposit, and extended same day credit on deposits made by 8 p.m. on a bank business day (the latest cut-off time of any financial institution in Hawai'i.) Another key feature is that customers can choose their bill denominations upon cash withdrawal.



CPB Launches Shaka, Hawai'i's First All-Digital Checking Account

3,442 ACCOUNTS OPENED FROM NOVEMBER 2021 - FEBRUARY 2022

OVER **50%** NEW CUSTOMERS



Enhanced ATMs Offer Increased Functionalities

8PM SAME DAY CREDIT ON DEPOSITS MADE ON A BANK BUSINESS DAY

161% INCREASE IN TOTAL ATM DEPOSITS MADE IN 2021

10% INCREASE IN WITHDRAWALS COMPARED TO THE YEAR PRIOR

SOCIAL RESPONSIBILITY
Support of the Community

CPB is the only major bank in Hawai'i to offer this. In 2021, customers responded, with total ATM deposits increasing by 161% and ATM withdrawals increasing by 10%, both compared to the year prior. CPB customers can now perform more transactions at ATMs that used to be done only in a branch.

CPB's digital offerings include consumer online account opening, online term loan applications/approvals, mobile deposits, business online banking, and live chat customer service support. CPB's mobile app is one of the highest rated banking apps in Hawaii, with a rating of 4.8 as of January 4, 2022 on both the App Store and Google Play.

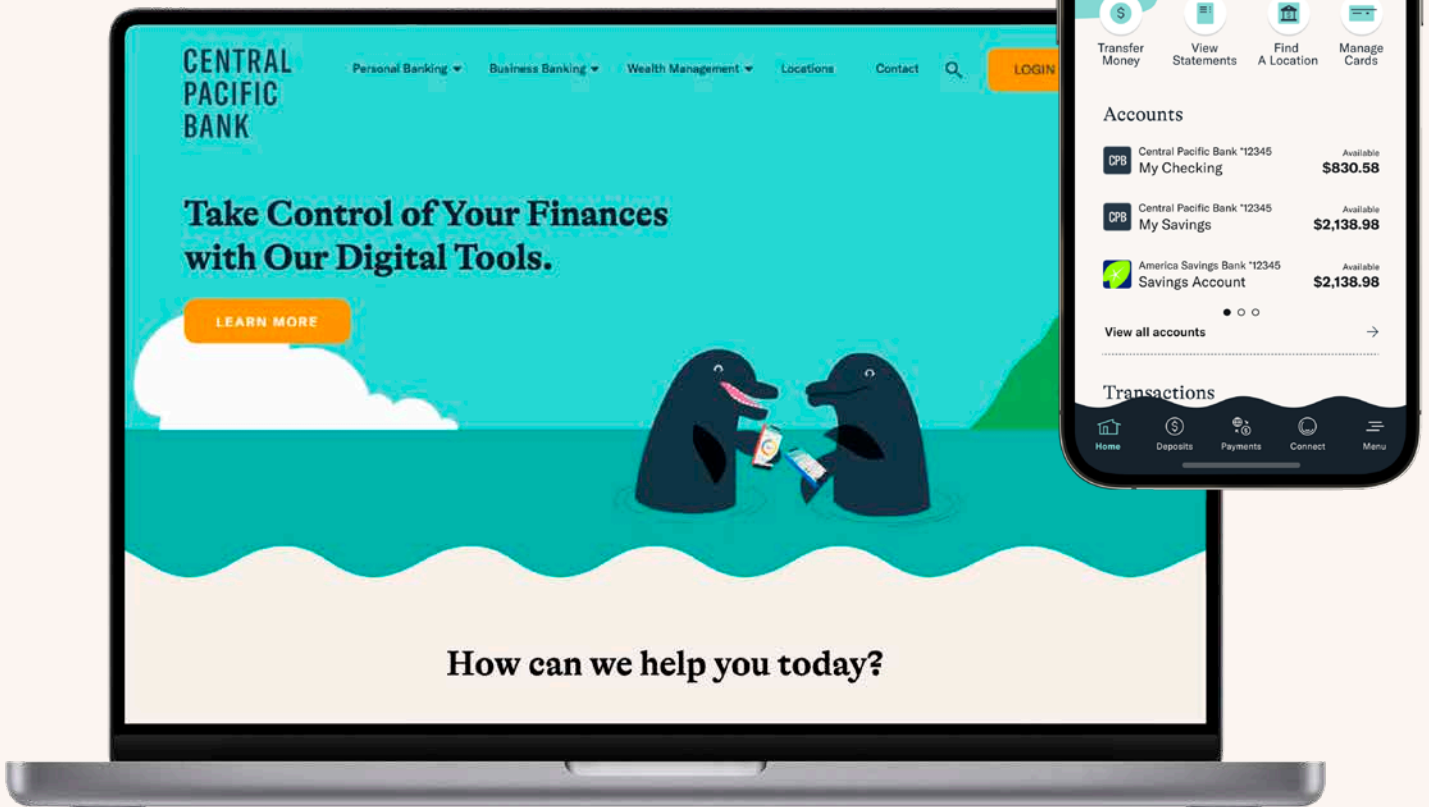
The world is changing, especially in the new post-COVID-19 environment. Many companies are using technology to automate transactions, and in a way, become less human than ever. CPB is using technology to increase our service levels to our customers to capitalize not only on our best-in-class digital offerings, but also on our legacy of exceptional customer services. This combination of being both high-tech and high touch is a big part of CPB's future. And it'll be something CPB always differentiates itself on.



“ ★ ★ ★ ★ ★ ”

4.8 rating out of 5 stars as of January 2022 on both the App Store and Google Play

The CPB Mobile App is one of the Highest Rated Banking Apps in Hawai'i



Support of Home Ownership

CPB has long been a proponent of affordable housing, believing that all residents should have the opportunity to purchase a home. The Home Loans Division financed more than 110 fee simple, affordable units. CPB has achieved an “Outstanding” Community Reinvestment Act (CRA) rating since 2005. It’s important to note that only 6% of the CRA ratings issued by the FDIC since 2014 have garnered “Outstanding” status. CPB also supports first-time homebuyers, making over 200 loans to first-time homebuyers in 2021, totaling \$95 million. CPB works with mortgage borrowers negatively impacted by COVID-19 to provide loan forbearance and modification options. In addition, CPB offered 12 Community Development (CD) loans for a total of \$41 million in support of affordable housing for low- or moderate-income individuals and families.

Protection of Customers

CPB is governed by regulations affecting commercial and consumer banking products prohibiting bribery, unfair and deceptive practices, privacy violations, and similar provisions. As a responsible and ethical lender, CPB strictly prohibits abusive, misleading, or fraudulent banking practices. Regular training of front-line staff and sales teams’ personnel on our product offering(s) and compliance requirements ensures that they offer products and services appropriate for our customers’ needs and income profiles. Our goal is to support our customers in making an informed choice. Customer satisfaction is important to CPB, and we regularly ask our customers for their feedback.





SOCIAL RESPONSIBILITY

Support of the Community



Entrepreneurs Sandbox grand opening – Invest in Hawaii’s Digital Economy (TRUE).

Community Support

The Central Pacific Bank Foundation (CPB Foundation) was established to strengthen Hawai'i communities by creating opportunities for generations of Hawai'i's residents and fostering social progress. CPB Foundation is one of the State's top philanthropic leaders in addressing Hawai'i's most challenging societal issues, many of which have been exacerbated by the COVID-19 pandemic. In 2021, the CPB Foundation contributed more than \$2.4 million to 114 nonprofit organizations that help Hawai'i's communities. In a year spent still recovering from the pandemic, help was given to combat socio-economic issues such as homelessness and substance abuse, fund educational and cultural programs, incubate small businesses and entrepreneurs, and preserve Hawai'i's environment. The CPB Foundation is committed to programs that support our diverse community, education, small businesses, youth sports, agricultural and environmental initiatives, COVID-19 relief, and pathways to explore new opportunities for our 'ohana to reach their full potential. In 2021, CPB Foundation made a landmark \$250,000 donation to Kuakini Medical Center to purchase major medical

equipment and enhance patient care, as well as donations to the Salvation Army, Lanakila Meals on Wheels, and the Hawaii Foodbank, among other worthwhile local causes.

CPB is proud of its employees and leaders who collectively volunteer many hours of community service and steward numerous local causes. Employees tirelessly devoted over 5,400 hours of service to more than 100 nonprofit organizations throughout 2021 and raised more than \$487,000 during CPB's 2021 United Way campaign.

The Hawaii Executive Collaborative's CHANGE Initiatives were created by local leaders to collectively solve Hawai'i's greatest issues. CPB, as a member of Hawaii Executive Collaborative, is working on these initiatives, including the TRUE (Technology Readiness User Evaluation) Initiative which is an innovative program whose mission is to create tech-enabled jobs. It does this by accelerating the adoption of technology and innovation through collaboration and sharing of solutions to common business problems, and an education initiative that focuses on creating workforce pathways so that students can be successfully placed in careers, and nontraditional

students can receive certification that will lead to higher paying careers. Key activities by TRUE in 2021 include the Community Innovation Mentorship Program whereby students work to solve real world problems. These initiatives speak to priorities for CPB as we focus on vital needs for Hawai'i's future.

CPB continued to help Hawai'i small business owners reach for their dreams. Since 2007, CPB has been recognized 12 times as Lender of the Year (Category 2) by the U.S. Small Business Administration's (SBA) Hawai'i District Office. In 2021, CPB originated more loans to small business in 2021 than the other major banks in Hawai'i combined. CPB originated 122 7(a) loans for a total of \$7,175,100 in fiscal year 2021, more than double the number of these loans it originated in 2019. CPB recently launched a new online banking system specially designed for small businesses.

SBA Recognizes CPB as Lender of the Year for 12 out of the Last 14 Years

OVER

\$7

MILLION IN LOANS GIVEN IN FY 2021

122

7(a) LOANS ORIGINATED MORE THAN ALL MAJOR HAWAII BANKS COMBINED



Commitment to Education

CPB and the CPB Foundation are committed to empowering our youth with tools and opportunities to succeed. This has guided our philanthropic investments in programs and scholarship opportunities for students in various programs.

- **CPB Foundation Scholarships:** The Central Pacific Bank Foundation Scholarship was launched in 2012 to support and encourage employees, their children, and their grandchildren to go to college and help lessen the cost of attending college. For the 2021-2022 academic year, the CPB Foundation awarded five college scholarships totaling \$15,000 for dependents of Bank employees. Eligible recipients also have the opportunity to renew their scholarship each subsequent academic year for up to four years, or up to \$12,000.



Standing from left: Lori Teranishi, Girl Scouts of Hawaii Board Chair, Shari Chang, CEO of Girl Scouts of Hawaii, Dayna Matsumoto, Controller, CPB, Catherine Ngo, Executive Vice Chair of CPB, and Keith Amemiya, Executive Director of the CPB Foundation.

“Kupu is deeply grateful for the generous support towards our education programs. These programs help engage the next generation in service and education to address many of Hawai‘i’s major challenges to our environment, climate, and sustainability. We are able to create opportunities with the help of amazing partners like the CPB Foundation.”

– John Leong, CEO of Kupu



CPB Supports
Local Educational
Programs in Hawai‘i

\$633K

GIVEN IN 2021 BY
THE CPB FOUNDATION
IN SUPPORT OF
LOCAL PROGRAMS

- **Central Pacific Bank Rising Scholars Program (COP):** Funding from CPB Foundation helps economically disadvantaged individuals, many of whom are the first in their families to attend college, to fulfill their potential through the UH Mānoa College Opportunities Program (COP) Central Pacific Bank Rising Scholars scholarship. COP provides a free, intensive six-week summer academic and residential program to prepare students for a successful freshman year and provides ongoing counseling support.
- **Support of Education in Maui County:** CPB Foundation contributed \$100,000 in support of education in Maui County. The partnership with Center for Tomorrow’s Leaders (CTL) builds a pipeline of leadership development programs embedded within the school day at Maui County public high schools, starting with Maui High School. CPB Maui employees will serve as program mentors, support student-led projects, and ultimately help to build financial literacy in the community. The CPB Foundation awarded \$50,000 to CTL to support this project. CPB Foundation also gave \$50,000 to Next Steps to Your Future 2021 (University of Hawai‘i Foundation). This initiative aims to serve over 4,000 graduating Maui County’s Hawai‘i public high school seniors, targeting those who are undecided about their post-high school plans.
- **Girl Scouts of Hawaii:** CPB Foundation made a \$200,000 grant to help fund a STEM Center for Excellence program at Camp Paumalu. The brand new, 135-acre living laboratory on Oahu’s North Shore will provide year-round opportunities in cybersecurity, astronomy, robotics, computer coding, botany, chemistry, environmental stewardship, and more. Girl Scouts will enjoy outdoor adventures while exploring science, technology, engineering, and math (STEM) careers through on-site experiments. Through the STEM Center, Hawai‘i’s young women will have the opportunity to experience a wide range of activities and gain valuable life skills they’ll carry with them into the future.



SOCIAL RESPONSIBILITY

Support of the Community

Support of Environmental Initiatives

CPB and the CPB Foundation are committed to protecting the environment of our islands. This guides our support of programs to further sustainability and environmental protection, that included the following:

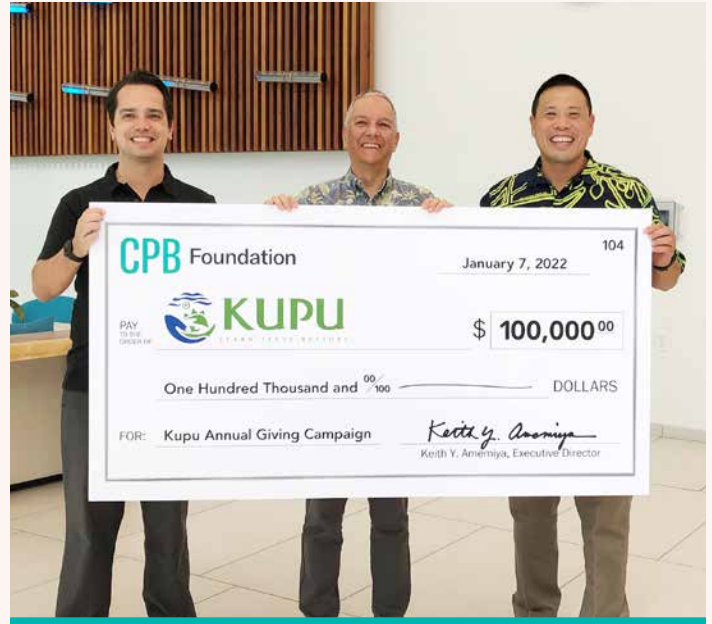
- **Kupu:** \$100,000 grant from CPB Foundation to support programs educate and mentor the next generation to become stewards of our culture and environment.
- **Shufu Society of Hawai'i:** In collaboration with Rick Blangiardi, Mayor of the City and County of Honolulu, Honolulu Department of Parks and Recreation, Honolulu City Council, and the CPB Foundation – Shufu Society’s Tree Planting Beautification Project, launched in 2021, is an ongoing effort which funds new trees to be planted throughout the city by the Honolulu Division of Urban Forestry.
- **Monetary Support:** Additional programs supported by the CPB Foundation include The Trust for Public Land, Kokonut Coalition, and Hawai'i Wildlife Center.

Support of Women

CPB and the CPB Foundation are leaders in supporting women in business. In 2021, CPB launched the WE (Women Entrepreneurs) by Rising Tide program. The program helped participating women entrepreneurs through seminars coordinated by the YWCA Oahu’s Patsy T. Mink Center for Business & Leadership (MCBL), via promotional opportunities provided by aio Media, and with support from Rising Tide Hawai'i, CPB’s entrepreneur community.

The “WE by Rising Tide” accelerator was created to empower and connect women entrepreneurs. Executive Vice-Chair Catherine Ngo, together with other CPB women leaders, led a group focused on supporting women-owned businesses. This 10-week workshop series helped owners of businesses that were at least 51% women-owned hone their financial management, marketing, and leadership skills. The first cohort of 20 women entrepreneurs were owners of successful businesses in various industries, including food, fitness, fashion, architecture, construction, medicine, and more. A valuable part of the accelerator was getting advice from successful women executives and business leaders.

CPB also helped establish and support the Patsy T. Mink Center for Business & Leadership: As a Women’s Business Center, partially funded by the SBA, it assists women in starting and growing small businesses. Efforts are aimed at “leveling the playing field” for women entrepreneurs who still face unique obstacles in the business world.



Standing from left: Kawika Riley, Senior Director of External Affairs of Kupu, Arnold Martines, President & COO of CPB, John Leong, Co-Founder and CEO of Kupu

“I greatly appreciated the financial education that we focused on. I think networking and friendships are key benefits of this program as well. It was nice to speak with others about common challenges and learn what steps they had taken which worked and which were not as successful. Thank you for having this program.”

– Shawna Yee, DPT, OCS, CSCS, Physical Therapist, Apex Physical Therapy Honolulu, WE by Rising Tide cohort member



Other Community Support

- **Rising Tide** – CPB nurtured a community of entrepreneurs and small business owners working for a stronger Hawai'i. Rising Tide extended the reach of existing collaborative programs and helped businesses to pivot, survive and thrive during the pandemic.
- **Mana Up** – CPB supports this accelerator program for Hawai'i-based retail, beauty, and food product companies. In 2020, Mana Up debuted a live online program, reaching 80,000 viewers globally and resulting in increased business for CPB.
- **Mentorship** – From big accelerators like “WE by Rising Tide” to small events like the mentoring of Kalani High Schoolers advocating for gender equality, CPB executives continued to nurture the next generation of Hawai'i leaders.
- **High School Sports** – CPB Foundation worked with local sports stars Shane Victorino, Marcus Mariota, DeForest Buckner, and the Wally Yonamine and Freeman Foundations to contribute \$250,000 to help with budget shortfalls to make the 2021 spring Hawai'i prep sports season a reality.
- **Child & Family Services** – Our President and Chief Operating Officer, Arnold Martines, is Chair of Child & Family

“Kuakini Medical Center is very grateful for the generous support provided by the Central Pacific Bank Foundation. With the help of CPB Foundation’s donation, Kuakini will be able to replace its central patient monitoring station which plays a key role in the ongoing health and safety of our patients.”

– Gary Kajiwara, President and CEO of Kuakini Health System

Services, a non-profit in Hawai'i whose mission is to strengthen families and foster the healthy development of children. In 2021, CPB Foundation made a grant in support of Child & Family Services.

- **Made in Hawai'i Festival** – In 2021, this festival in showcased its wares in person and virtually in an online marketplace for Hawai'i-made products to support local small businesses. The CPB Foundation was a co-presenter of the Festival.
- **Ho'ōla Nā Pua** – CPB Foundation made grants to Ho'ōla Nā Pua, an organization committed to the prevention of sex

trafficking and providing care for children who have been exploited, and the Domestic Violence Action Center.

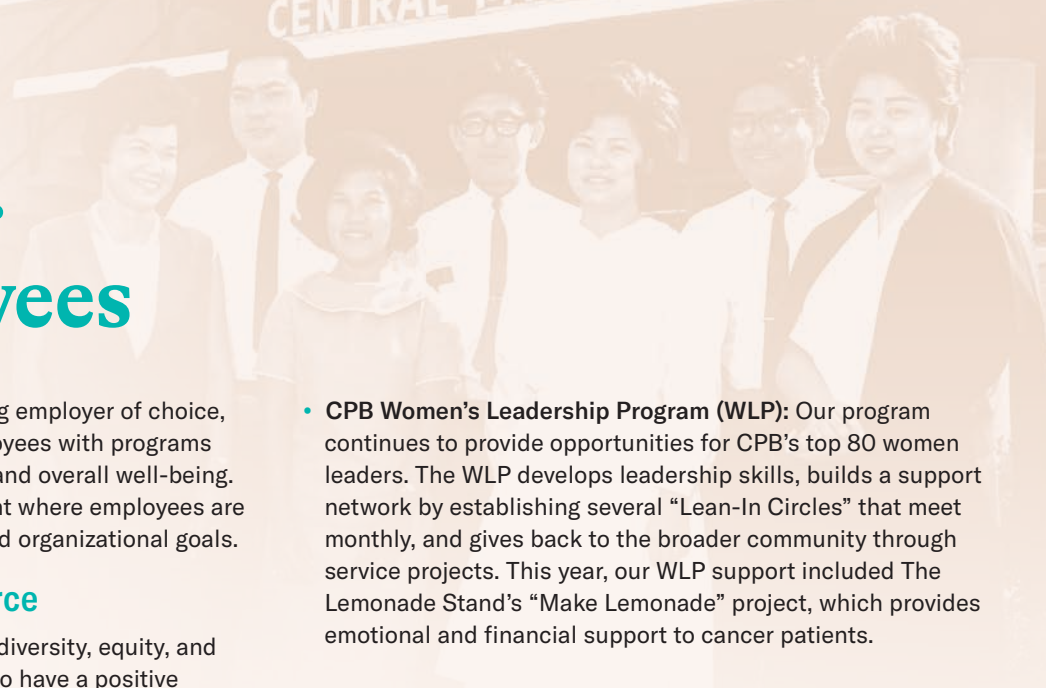
- **Kuakini Medical Center:** CPB Foundation made a \$250,000 grant to Kuakini to replace its central patient monitoring station. This investment plays a key role in providing critical care to our residents during the pandemic, in addition to ensuring the ongoing health and safety of our community.

Our Vendors

CPB asks that its vendors agree to a Vendor Code of Conduct. We expect all vendors providing goods and services to us to be committed to caring for the environment, equal treatment of employees and others, and conducting their business activities with the highest standards of integrity and ethics, in accordance with all applicable laws and regulations. As part of our vendor screening process, we ask vendors to provide us with an overview of their ESG related initiatives and policies. Vendor Management takes into consideration qualified women-owned, minority-owned, LGBTQ+ owned, and other small businesses, as those businesses are an integral part of the community CPB services. Every vendor is subject to CPB's risk assessment and is carefully managed to limit exposure.



Keith Amemiya, Executive Director of the CPB Foundation, Catherine Ngo, Executive Vice Chair of CPB, Susan Utsugi, SVP Division Manager, Business Banking, CPB and the WE by Rising Tide 2021 graduating class.



Support for Our Employees

Central Pacific Bank strives to be a caring employer of choice, supporting successful and healthy employees with programs that focus on professional development and overall well-being. CPB provides a positive work environment where employees are engaged and work together toward shared organizational goals.

A Diverse & Talented Workforce

CPB has a long-term focus on improving diversity, equity, and inclusion among its workforce and aims to have a positive impact on greater society. At the end of 2021, CPB's workforce was 90% ethnically diverse (non-Caucasian or two or more races) and 67% female, with 56% of all management staff having a supervisory role being female. To attract and elevate top talent at all levels of the organization, CPB has instated several efforts to support employee development, including:

- **Training & Development:** CPB offers an array of internal training opportunities taking advantage of both in-person and online formats. In 2021, CPB provided 284 in-person trainings and approximately 10,200 web-based trainings.
- **Tuition Reimbursement:** Available for external trainings and courses, in 2021, CPB provided \$3,000 in tuition reimbursements for the benefit of employees.
- **Opportunities for High Potential Employees:** Upskilling and developing career pathways for internal promotions is an ongoing priority. Our internal promotion rate in 2021 was 21%. Specifically, the Executive Committee manages a Mentor Program and Individual Development Plans for those with proven aptitude for growth.

- **CPB Women's Leadership Program (WLP):** Our program continues to provide opportunities for CPB's top 80 women leaders. The WLP develops leadership skills, builds a support network by establishing several "Lean-In Circles" that meet monthly, and gives back to the broader community through service projects. This year, our WLP support included The Lemonade Stand's "Make Lemonade" project, which provides emotional and financial support to cancer patients.

"I am proud to play a part in the WE by Rising Tide program at CPB, designed to help women entrepreneurs in Hawaii. The program provides tactical tools to help these women and to strengthen their network with other women business owners. This knowledge and collaboration create a stronger more vibrant business community for all. I'm so grateful that CPB and the Foundation created this vital business program for Hawaii."

– Susan Utsugi, Senior Vice President & Division Manager, Business Banking, 21 years at CPB





Together We Are Strong

CPB makes the health and safety of employees a top priority as we continue to navigate the effects of the COVID-19 pandemic.

- **Communications:** From the onset of the COVID-19 pandemic, CPB's Executive Committee provided frequent and comprehensive updates on the organization's pandemic response at all levels of the organization via telecasts and video conferences.
- **Daily Screening:** Among the operational guidelines to ensure the highest levels of sanitation and safety, our employees are required to complete an online health daily health survey, AlohaSafe, when scheduled to work. The web-based application tracks employees' health and recent travel to assist management in ensuring those who may be ill or at a high risk of contracting COVID-19 due to exposure do not come on-site to work.
- **Remote Work:** All employees whose positions allow them to work remotely are encouraged to do so. CPB provides employees with computers, monitors, and the technology to work seamlessly from home along with a stipend that may be used to fund work from home tools when necessary.
- **Supporting the Frontlines:** Employees who work on-site or whose roles require interacting with customers are provided personal protective equipment, plexiglass barriers, and reconfigured workspaces to limit possible employee and customer exposure to COVID-19 and to enable physical distancing.
- **Onsite Vaccination Clinics:** In 2021, CPB hosted four on-site vaccination clinics to bring both flu and COVID-19 vaccines to employees. CPB's internal vaccination rate is over 95%, and continuing education and access to vaccinations and boosters remain part of our ongoing effort to raise awareness and increase community immunity.

“I very much appreciate the thoughtfulness and thoroughness with which CPB approached the COVID-19 situation. There was constant communication from leadership on the importance of being vaccinated and following safety protocols. Moreover, the offers to vaccinate employees and to do ongoing testing at the company's expense, truly showed that leadership cared, not only about our well-being, but also about the health and well-being of our families and the community in general. It made me proud to be a CPB employee.”

– Pat Matsumoto, Vice President & Branch Manager, Kahului Branch, 23 years at CPB



SOCIAL RESPONSIBILITY

Support for Our Employees

Well-Rounded Benefits

CPB is committed to providing competitive compensation packages combined with robust support for employees to have a balanced and fulfilling career. Some of these include:

- **Health & Wellness Programs:** CPB is committed to keeping the employee portion of health care premiums to a minimum while also providing creative wellness programs to promote healthy lifestyles among employees throughout the year. For seven consecutive years, employees have enjoyed no increase in their health benefits cost. CPB has absorbed all additional expenses of its rising cost of healthcare to allow employees to better manage the expense of providing essential benefit coverage for themselves and their family members.
- **Team Building:** A variety of programs are offered to CPB employees to have fun and strengthen camaraderie. Quarterly Team Building activities, paid for by CPB but planned by the participating departments, encourage teams from different divisions to engage and form strong relationships. The Employees' Club, which offers companywide gatherings throughout the year, and a Holiday Party, are also much anticipated and coveted opportunities to share in each other's company, beyond the office setting. Many of our in-person events were held remotely due to COVID-19. However, in 2021, we were pleased to restart in-person events, when safe to do so, to allow our teams the ability to re-connect with each other.

- **Creative Perks:** Other benefits include help with transportation, like discounted passes for TheBus and Biki Bike membership, as well as flexible working hours and work-from-home opportunities.

Being a 'Best Place to Work'

CPB is proud to have been voted by employees as one of Hawaii Business Magazine's "Best Places to Work" for 13 consecutive years. We're constantly planning for an environment and the tools our employees need to perform at their best. One of the ways we do this is by conducting an annual culture survey. The results are carefully reviewed and disseminated among leaders so that they can more effectively address the needs of their employees.

We received very positive results to our 2021 employee culture survey. In particular, our employees complimented CPB's commitment to their health and safety and the company's response to COVID-19. By actively committing to our employees' well-being and career goals, offering competitive wages, and providing valuable fringe benefits, CPB's strong employee retention contributes to effective operations and helps achieve our business objective of being an exceptional service provider. Total gross turnover for CPB tracks well below the market. At the end of 2021, 36% of CPB's current staff had been with the organization for ten years or more, and the average employee had ten years of service. The years of dedicated service are a true testament to the culture each employee contributes to and upholds at CPB.



CPB employees kick-off the Shaka campaign.

Protecting Our Future

Climate change is a global crisis that poses increasing risks to our communities here in Hawai'i.

Overview

As a bank that is headquartered in the only island state in the country, Central Pacific Bank is keenly aware of the ongoing impact of climate change on us, our customers, and our communities.

Addressing the Crisis

CPB's Board and management are focused on environmental issues, including the impacts of climate change (such as sea-level rise, major storms, flooding, and increasing temperatures). CPB is working with leaders across the State to address climate change collectively, as our islands are at significant environmental risk from oceanic and atmospheric conditions. For example, we are actively seeking partners to develop renewables projects in Hawai'i and are working to increase our lending to renewable energy companies. We currently lend \$11.6 million to our renewable energy company customers. We offer loans for customers to install residential photovoltaic (PV) systems. In

2021, we made 16 loans for residential PV systems. We also offer our customers a wide range of sustainable investment options through LPL Financial that consider positive ESG strategies.

CPB is working to assess its risk exposure to the impacts of climate change, including with respect to its operations, customers, investments and loan portfolio.

Leading Energy Efficiency Efforts and Practices

CPB is proud to be at the forefront of Hawai'i-based companies in its energy efficiency and environmental efforts.

- Central Pacific Plaza received 16 consecutive EPA Energy Stars, the most of any building in Downtown Honolulu.
- PV panels are installed at four CPB facilities producing approximately 31% of the total annual energy usage of these facilities. The annual average of energy produced by these PV panels is about 470,000kWh, amounting to approximately \$140,000 in cost savings. Additional PV opportunities are being explored for other locations.

- Energy efficiency at all branches is continuously monitored, and management looks for opportunities for LED retrofits, HVAC modifications, and other energy efficiency opportunities.
- Green cleaning products are in use by janitorial staff.



Central Pacific Plaza has received 16 consecutive EPA energy stars.

CPB is Committed to Protecting Our Environment

- Half of our company vehicles are electric
- Subsidized bus passes and Biki Bike access for all employees
- Solar panels at four locations
- Energy Management System to monitor consumption



“In our commitment to future generations, we continue to identify innovative ways to maximize energy efficiency to positively impact both our business and the sustainability of our islands.”

– David Jones, Senior Vice President, Division Manager, Properties, Central Pacific Financial Corp. and Central Pacific Bank



ENVIRONMENTAL INITIATIVES

Protecting Our Future

- Recycle bins are conveniently located near offices.
- Sustainable forest certified paper is sourced for all printers/copiers.
- Policies are in place to limit the paper use and migrate to digital documents.
- Half of all company vehicles are electric.
- Electric vehicle charging stations are available at the Central Pacific Bank Headquarters building.
- Bus passes are heavily subsidized for employees to limit the use of cars as transportation to work. Pre-COVID-19, 130 employees used the bus to commute to work.
- The use of Biki Bike as transportation to work is fully subsidized.
- Remote work is currently highly encouraged for those who can maintain productivity and service. Although this was driven by the pandemic for the health and safety of our workforce, future remote work opportunities will be seriously considered to minimize cars on our roadways, increase employee satisfaction, and support a better work/life balance.



Environmentally Friendly Features at Central Pacific Plaza

- Lighting fixtures with LED lamps, where feasible.
- Occupancy room sensors control lighting.
- Air Handler Units (AHUs) equipped with Variable Frequency Drives (VFD) controlled by the Building's Energy Management System (EMS). The VFDs modulate the speed of the AHU fan and temperature settings to meet required cooling, reducing energy consumption when cooling is not needed throughout the day.
- Restrooms equipped with low flow fixtures meeting current codes.

- Exterior glass façade designed to exceed the previous heat transmission and reflectivity rating, limiting the heat load being transmitted during the day and reducing HVAC cooling requirements.

CPB Leadership in Environmental Initiatives

The Hawaii Executive Collaborative (HEC) is a consortium of key public, private, and nonprofit stakeholders across the State. The HEC's CHANGE Initiative focuses on several key sectors, including the natural environment. "Troubled Waters: Charting a New Fiscal Course for Hawaii" is a report to HEC members on the fiscal outlook for Hawai'i over the next 30

years. It conservatively estimated that the cost to prepare for natural disasters and climate change is \$15.3 billion, and that the sea level will rise three and a half feet by the end of the century.

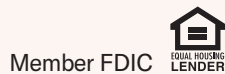
As key HEC executive team members, CPB's Executive Chairman Paul Yonamine, and Executive Vice-Chair Catherine Ngo, are playing major roles to devise a statewide climate change policy and strategy to address the daunting climate change issues facing our State. In addition, CPB leadership is part of the U.S.-Japan Council, where climate change is a top priority in service and collaboration between our two forward-thinking countries.



About Central Pacific Bank

Central Pacific Bank is the primary subsidiary of Central Pacific Financial Corp., a Hawaii-based bank holding company with approximately \$7.4 billion in assets as of December 31, 2021. Central Pacific Bank operates 30 branches and 69 ATMs in the State of Hawaii. For additional information, please visit the Company's website at cpb.bank.

This material, including without limitation to the statistical information herein, is provided for informational purposes only. The material is based on information from internal and third-party sources that we believe to be reliable, but which have not been independently verified or audited, and for this reason we do not represent that the information is accurate or complete. The information should not be viewed as tax, investment, legal or other advice nor is it to be relied on in making an investment or other decision. You should obtain relevant and specific professional advice before making any investment decision. Nothing relating to the material should be construed as a solicitation, offer or recommendation to acquire or dispose of any investment or to engage in any other transaction.





External Charitable Affiliations of Directors and Executives

Central Pacific Bank's Directors and executives have significant involvement in charitable and civic organizations in Hawaii, and beyond, and are role models to the organization on ESG issues. Some of their charitable and civic affiliations are listed below:

- **Christine Camp:** Catholic Charities of Hawai'i
- **Earl Fry:** PACE (Pacific Asian Center for Entrepreneurship and E-Business)
- **Wayne Kamitaki:** Hawaii Academy of Science, Hawaii Japanese Center (Hilo), Japanese Cultural Center of Hawai'i
- **Jonathan Kindred:** Hawai'i Contemporary, Fast Retailing Foundation
- **Paul Kosasa:** Hawai'i Community Foundation, Hawaii Food Industry Association, Hawai'i Symphony Orchestra, Japanese American National Museum, Kuakini Health System, Waikiki Business Improvement District Association, Teach for America Hawai'i
- **Duane Kurisu:** Claremont McKenna College, Downtown Athletic Club Hawaii, Punahou School, Hawaii Asia Pacific Association, Catholic Charities Hawai'i, PACE (Pacific Asian Center for Entrepreneurship and E-Business)
- **Christopher Lutes:** Emmett R. Quady Foundation
- **Colbert Matsumoto:** Densho, Jikoen Hongwanji Mission, Pacific International Center for High Technology Research, Urasenke Foundation of Hawaii
- **Catherine Ngo:** Hawai'i Community Foundation, Emmett R. Quady Foundation, Catholic Charities Hawai'i, The Queen's Health Systems, Trust for Public Land Hawaii Advisory Board
- **Saedene Ota:** Maui Economic Development Board, Maui Health Foundation
- **Crystal Rose:** Kamehameha Schools, Catholic Charities Hawai'i, The Nature Conservancy (Hawai'i)
- **Paul Yonamine:** U.S.-Japan Council, Pacific International Center for High Technology Research
- **Arnold Martines:** Boy Scouts of America Aloha Council, Chamber of Commerce Hawaii, Child and Family Service, Saint Louis School, YMCA of Honolulu
- **David Morimoto:** Institute for Human Services, Kohala Institute, Downtown Athletic Club Hawaii, Hawaii Asia Pacific Association Leaders, Hawaii Council on Economic Education

