



# 2022 Environmental, Social and Governance Report

CENTRAL  
PACIFIC  
BANK

[cpb.bank](http://cpb.bank)



## Letter from the CEO

### To Our Valued Stakeholders,

Having been born and raised in the small, tightknit agricultural community of Pa‘auilo on Hawai‘i Island, I know firsthand how important the land and environment truly is. It means so much to be leading a company with great integrity and the highest appreciation for cultural, social and environmental stewardship.

Central Pacific Bank (CPB) was established in 1954 by Nisei veterans to help all of Hawai‘i’s people with their financial goals and dreams. Today we have nearly 800 civic minded employees who take pride in our annual Environmental, Social and Governance Report because it demonstrates how CPB is living the Voyaging Spirit and Positively ‘Ohana values we hold dear.

Hawai‘i is the most isolated populated land mass in the world and being an island state 2,500 miles from the nearest civilization, it is critically important to counter the effects of climate change and sea-level rise. CPB is at the forefront of Hawai‘i based companies in its energy efficiency and actively supports the use and installation of photovoltaic systems, other energy saving amenities, and sustainable agriculture.

As a company, we have created programs that go well beyond banking and help people in our community. For example, our 2022 Change for Charity program collected enough monetary donations to buy 27,000 meals for those facing hunger. Our WE by Rising Tide program provides mentorships and guidance to help local women business owners succeed. This ESG report details numerous examples of CPB’s support for small businesses, education, and non-profit organizations that support housing, socioeconomic advancement, community activities, and environmental causes.

We understand our greatest resource is our diverse and talented people who make CPB the place where people like banking. We support health, safety and wellness initiatives that provide an appropriate work/life balance. Employees are provided benefits and options that fit their lifestyle while also helping reduce their carbon footprint. Remote and hybrid work schedules are highly encouraged to maintain productivity while reducing traffic and congestion.

Our ESG focus is considered in all of our business and operational decisions, and are incorporated into our annual business plan and three-year strategic plan. We believe that good governance and consideration of environmental and social risks and opportunities enable us to create value for our shareholders and best serve the interests of our employees, customers and community.

From mauka to makai, communities large and small, CPB is committed to doing what is just for our people and our island home.

**Arnold Martines**  
President and Chief Executive Officer

# Contents

- 4 2022 Highlights
- 5 The Four ESG Pillars and Core Values of CPB
- 6 Overview: We Stand for Our Community
- 8 Corporate Governance: CPB Leadership
- 10 Corporate Governance: Risk Management
- 12 Corporate Governance: Business Ethics
- 14 Corporate Governance: Stakeholder Engagement
- 15 Social Responsibility: Support of the Community
- 26 Social Responsibility: Support for Our Employees
- 30 Environmental Initiatives: Protecting Our Future
- 35 External Charitable Affiliations of Directors and Executives



# 2022 Highlights

Founded by WWII veterans to provide financial resources for all of Hawai'i's people.

No bank does more for Hawai'i Small Businesses

**TOP SBA**  
lender in the state

Provided more **PPP LOANS** than any bank in the state

**“Outstanding”**

Community Reinvestment Act (CRA)  
rating every year since 2005

**Exceptional**  
customer service recognitions

**Forbes**  
**#1 BANK**  
in Hawai'i

**Newsweek**  
**Best bank**  
in its category

Hawai'i Business Magazine's  
**“Best Places to Work”**

## ENVIRONMENTAL INITIATIVES

**\$9.7 Million** renewable energy company loans  
**\$94 Million** residential PV Loans

**16 EPA Energy Stars**



2022 Annual Paper Recycling saved approximately

**556,000** Kilo Watts  
**275** barrels of oil

**2,500** trees

**2.23** million Metric Tons of Carbon Equivalent (MTCE)

**560** cubic meters of landfill avoided

## DEDICATED AND DIVERSE WORKFORCE

**91%** ethnically diverse

**67%** female *with 57% as managers*

**35%** of employees remained with CPB for more than a decade

## GIVING BACK

**\$48 MILLION** committed to building low-income housing  
**\$1.8 MILLION** donated to more than 100 non-profit organizations

**\$430,000** donated from CPB employees to the United Way  
**>6,200** community service hours at over 130 organizations

**\$364,000** total awarded to schools and collegiate scholarships

# 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.

Central Pacific Financial Corp., is the bank holding company for Central Pacific Bank (CPB). Central Pacific Bank, CPB, and Central Pacific Financial Corp. are used interchangeably herein.



CPB Founders meeting under a banyan tree at Ala Moana Beach Park.



CPB Founding Directors

# 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.

### ESG Disclosures

We are committed to reporting in alignment with leading ESG frameworks to ensure that our disclosures are consistent with leading best practices and helpful to our stakeholders. In 2021 and 2022 we released 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](http://ir.cpb.bank/Corporate-Social-Responsibility).

# Central Pacific Bank Leadership

Strong corporate governance shepherded by Central Pacific Financial Corp.'s and CPB's Board and management level 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, 2023, CPB's Board is comprised of 13 directors with deep business and community ties in Hawai'i and beyond. 69% 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 31% female and 77% 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, Board Risk Committee, Directors Loan Committee, and Trust Committee. Specific measures within the Board structure itself ensure effective governance. The Board appoints a lead independent director, with specific authorities that are 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.

Director Christine Camp who chairs our Board Risk Committee, has significant experience in sustainable and environmental design and mitigation which she brings to her Board service. Ms. Camp is involved in PV installation, design to withstand future flooding and flood zone mitigation, design and retrofit of buildings for uses of reclaimed water, and heat and energy conservation efforts for over three million square feet of commercial and residential property.

“Effective oversight of Central Pacific Financial's risks is integral to protecting the interests of our shareholders, employees, customers, and community.”

– Christine Camp, Chair, Board Risk Committee, Central Pacific Financial Corp. and Central Pacific Bank



Central Pacific Financial Corp. and Central Pacific Bank Board of Directors

## CPB Executive Committee

CPB's management level Executive Committee drives execution of 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 the strong future of 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

**69%** INDEPENDENT  
(9 OF 13 DIRECTORS)

**31%** FEMALE  
(4 OF 13 DIRECTORS)

**77%** ETHNICALLY DIVERSE  
(10 OF 13 DIRECTORS ARE NON-CAUCASIAN OR MORE THAN ONE ETHNICITY)

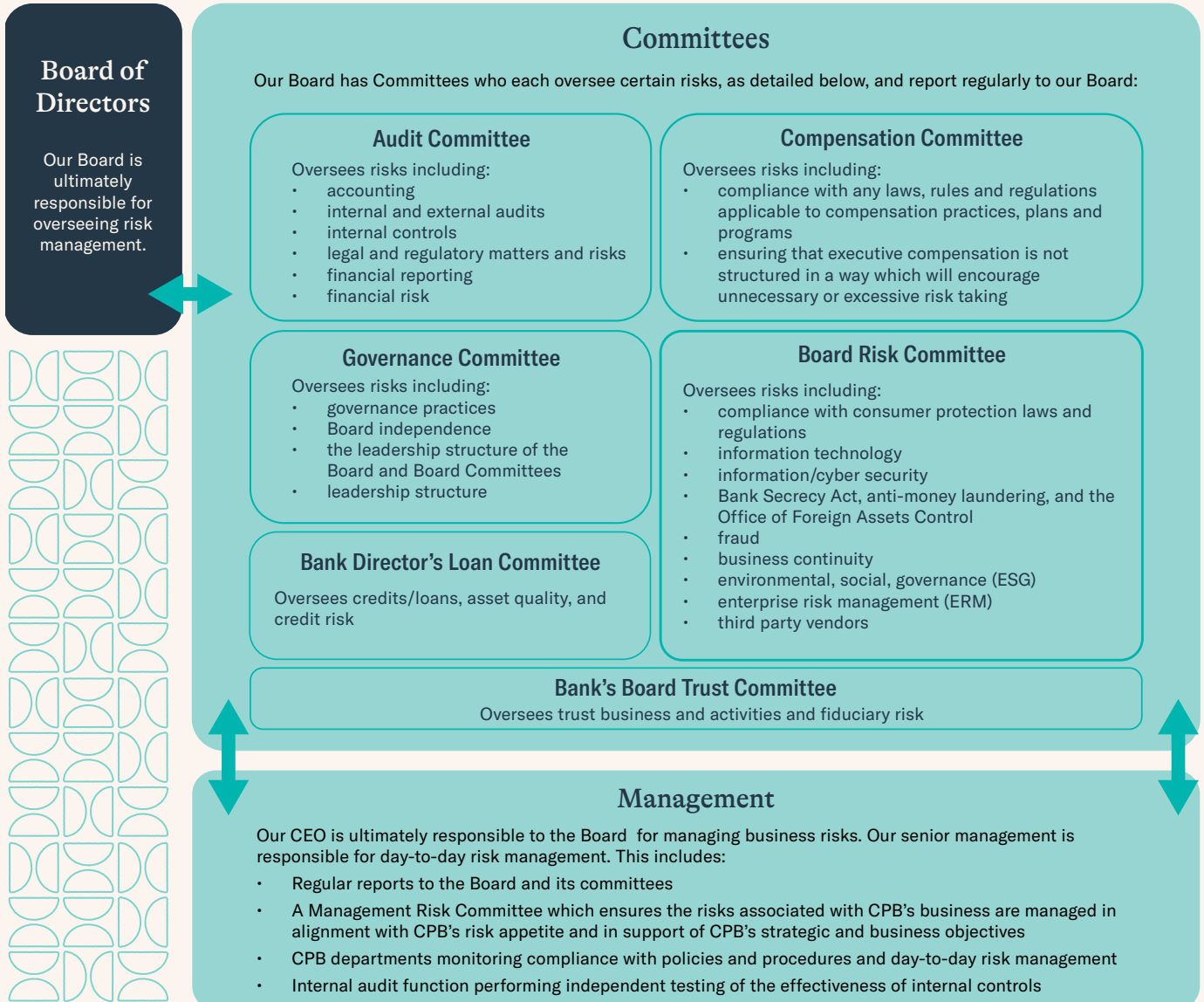


# Sound Risk Management

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.

“Identifying, measuring, and monitoring potential risks to our business enables CPB to ensure that the risks we take are appropriate and support our strategic and business objectives, and to manage future developments that could impact our business.”

– **Anna Hu**, Executive Vice President and Chief Credit Officer, Chair of Management Risk Committee, Central Pacific Financial Corp. and Central Pacific Bank



## ESG Oversight

**Board:** Our Board has ultimate responsibility for oversight of our ESG program. Our Board regularly receives reports on ESG, considers environmental, health and safety, and social matters as part of its oversight functions, and has incorporated ESG related initiatives into the Company's 2023 Strategic Plan and Business Plan.

**Board Risk Committee:** Our Board Risk Committee has formal oversight of our ESG program, initiatives, and reporting. The Board Risk Committee receives regular updates from management on the status and activities of our ESG initiatives.

**Management Risk Committee:** The Management Risk Committee oversees ESG risks at CPB so that these risks are identified, measured, managed, monitored, and reported in alignment with CPB's risk appetite, consistent with appropriate risk/reward returns, and in support of CPB's strategic and business objectives.

**ESG Working Group:** To drive ESG initiatives across the organization, CPB formed a working group consisting of cross-functional senior leaders tasked with carrying out our ESG strategy, identifying ESG opportunities, and handling ESG reporting on an ongoing basis.

## Data Privacy

All information we collect about customers and/or employees is obtained through lawful and transparent means, with explicit consent of the data subject where required, and is stored and used only for the purposes for which it was collected, to enable CPB's legitimate business activities.

## Information Security

CPB is fully committed to safeguarding the confidentiality and integrity of our customers' information, especially in an increasingly digital world. CPB maintains a formal and comprehensive information security program that protects the confidentiality, integrity, and availability of the Company's information assets. The information security program includes a threat intelligence program, a cyber risk program, third party risk assessments, a formal incident response program, mandatory trainings of employees and independent contractors both regularly and upon hire, reviews of vendors who handle sensitive information, policies and procedures, compliance to banking regulations, and annual audits.

The Board Risk Committee is primarily responsible for oversight of cyber/information security. The Board reviews and approves the Company's information security program at least annually, and the Board Risk Committee receives regular updates from the Company's Chief Information Security Officer/Chief Technology Officer regarding cyber/information security matters. At the management level, the Company's Chief Information Security Officer/Chief Technology Officer is a member of the Management Risk Committee. The Management Risk Committee oversees information/cyber security risks at CPB to ensure that these risks are identified, measured, managed, monitored, and reported in alignment with CPB's risk appetite, consistent with appropriate risk/reward returns, and in support of CPB's strategic and business objectives.

CPB's Information Technology and Information Security Departments are annually audited by an independent internal auditor, our external auditor, and also examined by the Federal Deposit Insurance Corporation (FDIC). For more information on CPB's cybersecurity and data protection programs, please see "Cyber Security and Data Protection" at [ir.cpb.bank/Corporate-Social-Responsibility](https://ir.cpb.bank/Corporate-Social-Responsibility).





# Corporate Policies and Business Ethics

## Code of Conduct and Ethics

CPB maintains a Code of Conduct & Ethics applicable to all employees, officers, and directors. When they're hired and annually thereafter, CPB employees must certify that they have read and understood the Code of Conduct & Ethics. The Code of Conduct & Ethics preserves, promotes, and fosters 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. Waiving of any provision of the Code can only be done by CPB's Board.

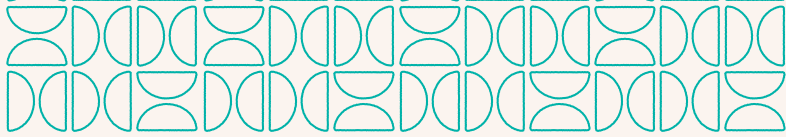
The Code of Conduct & Ethics for Senior Financial officers covers the CEO, President, CFO, Controller, and other principal financial officers, accounting officers, or any person performing any similar role.

## Bribery and Corruption

Bribery and corruption are both against CPB's values and illegal, and could expose both employees and CPB to fines and penalties, including imprisonment and reputational damage. Bribery is the offer, promise, or payment of cash, gifts, or even excessive entertainment, or an inducement of any kind offered or given to a person in a position of trust to influence that person's views or conduct or to obtain an improper advantage. Corruption is dishonest or fraudulent conduct by those in power, typically involving bribery. Our policies prohibit bribery regardless of the amount, and require fair dealing with all third parties.

## 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. It encourages the reporting of complaints and infractions through designated internal channels, or if preferred, 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. CPB has established a written Bank Secrecy Act / Anti-Money Laundering Policy that is reviewed and approved annually by our Board of Directors. CPB requires that all employees comply with its Bank Secrecy Act / Anti-Money Laundering Policy.

### **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 compliance with laws and regulations and to ensure they are not deceptive or misleading. CPB has several policies in place with respect to advertisements and customer communications, and relevant employees are trained on the policies that are applicable to them. Furthermore, CPB's compliance with consumer protection laws is regularly reviewed by our internal audit function and our regulators.

### **Responsible Sales Practices**

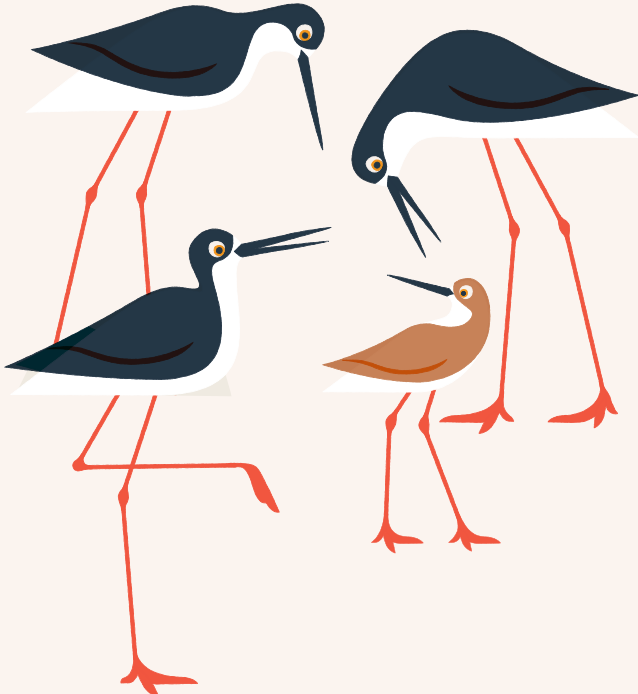
CPB is subject to strict regulations for responsible sales practices. Employees receive training on compliance with consumer protection and sales regulations on an annual or more frequent basis. Training includes, but is not limited, to the federal Truth in Lending Act, Truth in Savings Act, fair lending laws and regulations, and laws and regulations prohibiting unfair, deceptive, or abusive acts or practices. Applicable employees are also trained on CPB's debt collection policies and procedures. CPB also has channels, including an anonymous hotline, to report inappropriate sales practices.



# Stakeholder Engagement

CPB strives to have an open dialogue with all of its stakeholders through both formal and informal engagement. Below is an overview of our engagement with our stakeholders. Additional details of some of these activities are elsewhere in this report.

Stakeholder	Engagement Overview
Employees	<ul style="list-style-type: none"> <li>• Employees and managers review goals, accomplishments, and performance on an annual basis.</li> <li>• An annual employee culture survey is conducted and allows us to identify areas of strength and opportunities for improvement to ensure continued satisfaction and retention of our employees.</li> <li>• We offer a comprehensive compensation and benefits package to attract and retain talent.</li> </ul>
Customers and Communities	<ul style="list-style-type: none"> <li>• We offer innovative and affordable solutions to address the banking and credit needs of our customers and community.</li> <li>• We work to educate both our business and individual customers on the products and services available to them, and topics relevant to them, such as fraud and cybersecurity.</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• We communicate with shareholders through our Annual Report and Proxy Statement, Securities and Exchange Commission filings, press releases, and our <a href="http://cpb.bank">cpb.bank</a> website.</li> <li>• We engage with shareholders through quarterly earnings calls, investor meetings and conferences, annual shareholder meetings, and proxy outreach calls.</li> </ul>
Industry Alliances	<ul style="list-style-type: none"> <li>• We, together with our directors and executives, are active in community and business organizations in Hawai'i and beyond.</li> </ul>



# Where People Like Banking

Since our founding in 1954, CPB has proudly served the needs of our customers and the broader community. Our investments in the latest products and services, as well as our generous donations to the community reflect this longstanding commitment and our desire to help address Hawai'i's future needs with lasting, positive impact.

No bank does more than CPB to help small businesses in Hawai'i

CPB was founded by Nisei WWII veterans who fought for their family and friends yet they could not obtain financial services locally – many of whom were trying to establish their own businesses. We've since grown to become the top business bank in the state, working with entrepreneurs and even long-standing family businesses to grow and succeed every day.

We know that local businesses are critical to a strong local economy, and in 2022, CPB launched a campaign dedicated to small business owners, to let them know how CPB can help them achieve their goals. There are many reasons why CPB is considered the bank of choice for small businesses, and here are just a few:

- Top SBA lender in the state among mid-sized banks
- CPB provided more PPP loans to small businesses than any bank in Hawai'i during the COVID pandemic, an investment that has paid long-term dividends for the business and the residents of the state
- The latest online and mobile banking platforms specifically designed for small businesses

---

**“CPB is proud to be the leader in Hawai'i supporting small businesses, including women owned enterprises, as a diverse business community helps support a well-balanced and thriving economy.”**

– Arnold Martines, President & CEO, CPB

---



Central Pacific Plaza at King and Alakea.



## SOCIAL RESPONSIBILITY

### Support of the Community

## Supporting Customers through our Products and Services

CPB is unwavering in our commitment to enrich the lives of our customers and the community. We demonstrate this daily by providing exceptional customer service and offering practical solutions and valuable resources to help make our personal and business customers successful.

In 2022, CPB was named the Best Bank in Hawai'i for the second consecutive year by Forbes and its research partner, Statista, who identified the best state banks based on an independent survey of approximately 26,000 U.S. consumers who were asked to rate banks where they have, or previously had, a checking account. They were also asked if they would recommend their financial institution to friends and family.

"I feel like I have known our wealth management advisor forever. We trust him and ask him anything. I've depended on him and his staff to be there and help me make good decisions. My trust comes from a long history with CPB. The day I was born my dad opened a CPB account for me...so it's his loyalty that continues on, too."

– CPB Wealth Management Customer, Candace T.



Wealth Management Customer, Candace T., Aiea

# BEST-IN-STATE BANKS

## Forbes 2022

POWERED BY STATISTA

### A Best Bank with Satisfied Customers

# ~26,000

U.S. CONSUMERS ASKED

Participants made recommendations regarding overall satisfaction and assessed banks in the following areas:

- ✓ BRANCH SERVICES
- ✓ FINANCIAL ADVICE
- ✓ CUSTOMER SERVICE
- ✓ TERMS AND CONDITIONS
- ✓ DIGITAL SERVICE
- ✓ TRUST

"We are absolutely thrilled to be recognized as the best in Hawai'i on the Forbes list of Best-In-State Banks, as it is further validation CPB is where people like banking," said CPB President and Chief Executive Officer Arnold Martines. "We sincerely thank our valued customers for the trust they place in our services. This honor is shared with all our dedicated employees who truly make a positive difference in people's lives, beyond banking."

Newsweek

## AMERICA'S BEST BANKS 2023

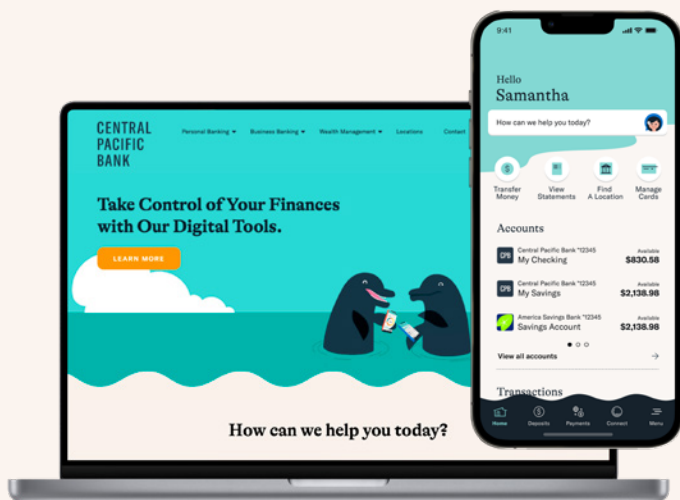
CPB was also recognized for the second year in a row by Newsweek as one of the best banks in Hawai'i. Newsweek partnered with LendingTree for its annual Best Banks ranking. They evaluated thousands of FDIC-insured banks and credit unions, on more than 50 different factors in order to identify the best-in-class options in 26 different categories. CPB topped the list in its category!

## Digital Banking, the CPB Way

The world continues to evolve with digital technologies at the forefront. Customers expect more conveniences, choices, and the ability to perform transactions when and where they want them on any device. CPB has doubled down on a “digital first” approach to banking, and we call it “Digital Banking the CPB Way.” This means having more online and mobile options, all with the highest standards of safety and security. In 2022, CPB rolled out a communications campaign bringing awareness to these enhanced, innovative digital banking products and services including:

- Shaka Checking: Hawai'i's first and only digital bank account.
- Hawai'i's Top-rated iOS and Android Banking Apps: For customer's everyday banking needs, including mobile deposits.
- Hawai'i's First Online Live Chat Feature: When customers need immediate customer service support on their smartphone or computer.
- The Latest Generation ATMs: To provide more customer convenience than any other bank in Hawai'i.
- Online Appointment Scheduling: Customers can book an appointment online to visit us in person or via phone or video chat from the comfort of their own home.
- Quick and secure online account openings.
- Online term loan applications and approvals.
- Business online banking.

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 has special staff members who work with customers to educate them on ATMs and our digital offerings so that they can perform banking transactions outside a branch to make life easier and more convenient.



## Shaka Checking

In November 2021, CPB launched Shaka Checking, Hawai'i's first all-digital checking account offered by a local bank. Shaka Checking has no minimum balance (\$25 needed to open account), no monthly fees, and one of the highest interest rates offered by a checking account in Hawai'i. It also offers the customers with the opportunity to get their paycheck up to two days early, as well as up to \$20 a month in ATM fees refunded. Since its launch, Shaka has provided exceptional and convenient online banking services to exceed our customers' financial needs.

Shaka Checking offers customers easier and more accessible ways to bank. Shaka customers can access their accounts anytime and anywhere on their online or mobile devices, making fewer trips to branches.

Shaka is also dedicated to strengthening the community and building relationships with the people of Hawai'i. Through the Shaka program, we have sponsored and actively supported a wide range of events and initiatives that benefit the community in many ways.

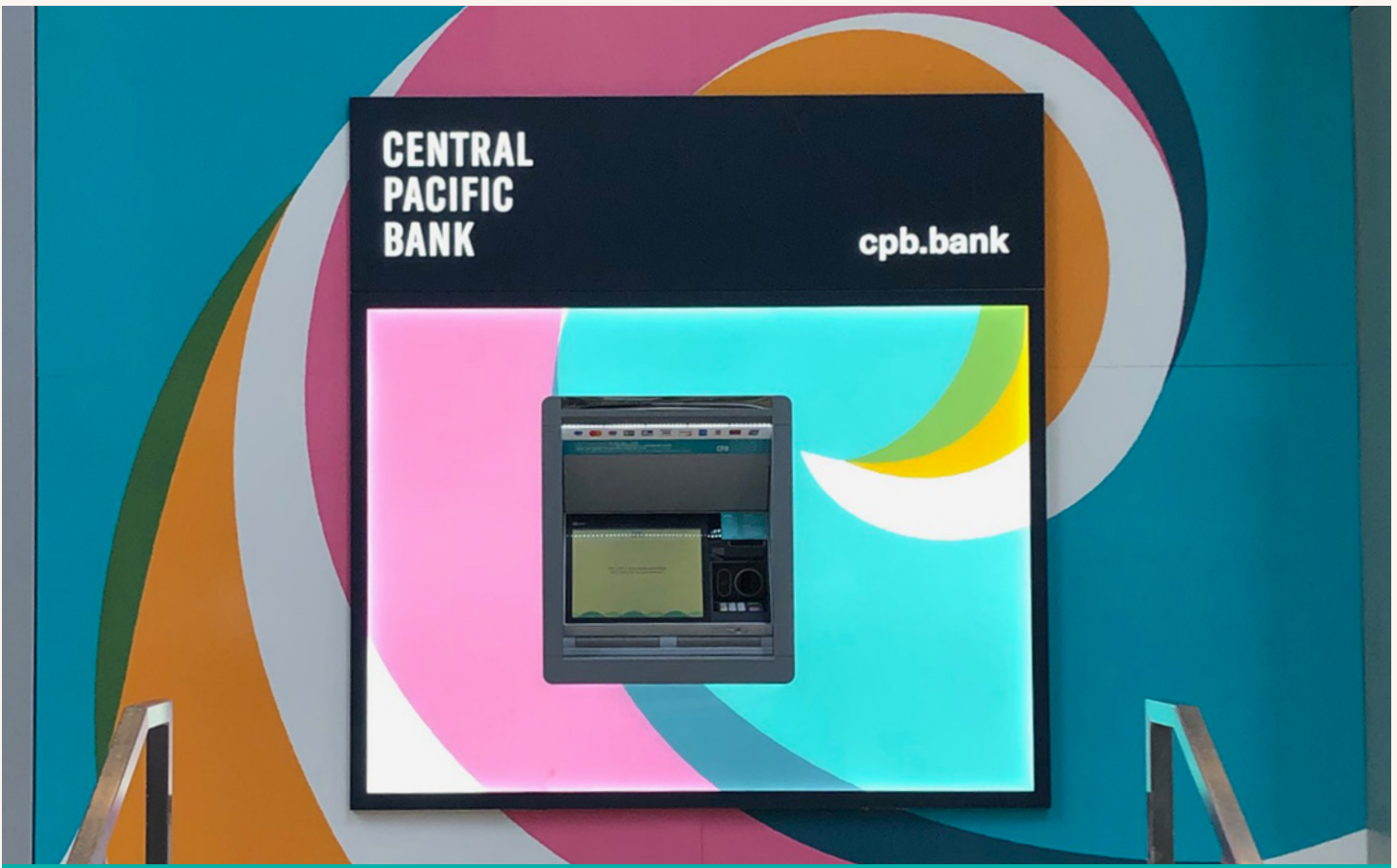
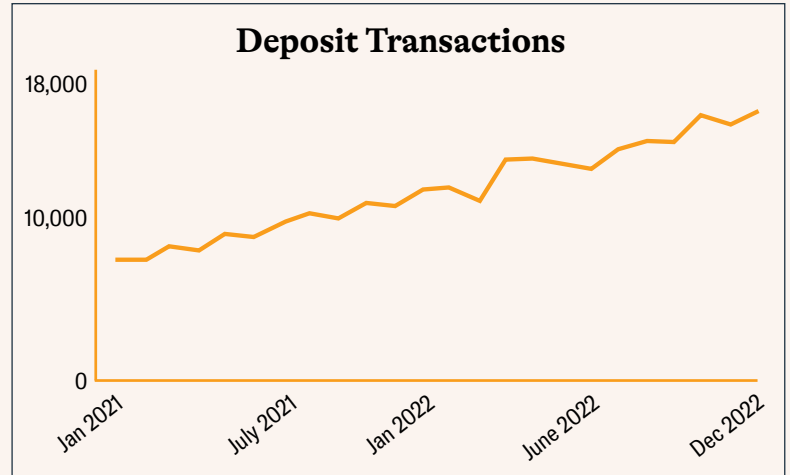
Since CPB actively supports diversity, Shaka participated in the Honolulu Pride Parade in support of the LGBTQ+ community. Shaka also sponsored the Duke's Oceanfest, the Made In Hawaii Festival, and the Honolulu Night Market in Kakaako, just to name a few. In August, we partnered with Biki, Honolulu's largest bike share system, and the Hawaii Bicycling League to give away more than 400 complimentary helmets to families with young children. We pride ourselves in being active members of our community and will always continue to have a large presence in initiatives that align with our core values.



## Enhanced ATMS

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 is the only major bank in Hawai'i to offer four different denominations. CPB customers can now perform more transactions at ATMs that used to be done only in a branch.

CPB continued to work with customers on educating and training them on ATM functions like Cash and Check Deposits and Multi-Bill Denomination Withdrawal to save them time and enjoy a better banking experience. As part of promotions, CPB branch staff escorted the customer to the ATM and trained them on using the various functionalities. As a result of this effort, we've seen a 50% increase in Deposit transactions Year-Over-Year.



## 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. In 2022, CPB offered 13 Community Development loans for a total of \$64.3 million in support of affordable housing for low- to moderate-income individuals and families. The Home Loans Division financed 16 fee simple, affordable loan to value housing projects. In addition, CPB has committed over \$48 million in investments in low-income housing, and in 2022 committed over \$31 million in loans to finance the construction of 224 affordable low-income housing rental units targeting families earning 30% to 60% of the average median income. 24 of these units will be specifically offered to Native Hawaiians on the Department of Hawaiian Homelands residential waitlist. CPB has achieved an “Outstanding” Community Reinvestment Act (CRA) rating every year 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 88 loans to first-time homebuyers in 2022, totaling \$44.4 million.



“I am co-owner of Hokulani Bake Shop and CPB was there from the very beginning. They have been very supportive. I knew their reputation was to help out small businesses in Hawai‘i so I was very fortunate to get in contact with them and have them by my side.”

– Marie Lau, Hokulani Bake Shop co-owner

## Support of Small Businesses

CPB continues to help Hawai‘i small business owners reach for their dreams. Since 2007, CPB has been recognized 13 times as the Lender of the Year (Category 2) by the U.S. Small Business Administration’s (SBA) Hawai‘i District Office. In 2022, CPB originated more loans to small business than the other major banks in Hawai‘i combined. CPB originated 75 7(a) loans and one 504 loan for a total of \$4.4 million in fiscal year 2022.

CPB’s services designed to support the growth of its small business customers include:

- Online and mobile banking platforms specially designed for small businesses.
- Business checking accounts with no minimum opening balance and no monthly service charge;
- Merchant processing solutions through our partner Elavon; and
- Our Rising Tide program, which any business in Hawai‘i can join; the program provides resources for small businesses, including educational workshops, promotions and special events.

CPB’s information security team established a new initiative in 2021 to extend Information & Cybersecurity awareness to local small businesses. In 2022, our information security subject matter experts tailored a training presentation to 20 employees of a local small business that experienced a ransomware incident. In addition, CPB’s information security and fraud teams presented an online webinar as part of our Rising Tide program, “Protecting Your Small Business in a Digital World,” to 39 attendees from small businesses. The webinar offered insights on the cyber threat landscape and mitigation practices impacting small businesses.

“I think that CPB is an amazing bank because they create resources for small businesses for no matter where they are in their journey, things that normal banks don’t really have like the Rising Tide program. We immediately joined the Rising Tide and we are really excited about the resources that they have for small businesses to learn and grow.”

– Kea Peters, Kakou Collective founder



## Support of Borrowers

For individual and business borrowers who are facing economic difficulties, CPB offers the option to modify qualified loans by deferring payments. CPB also works with mortgage borrowers to provide loan forbearance and modification options. In 2022, CPB granted a total of 379 loan modifications and/or forbearances to assist its borrowers.



## Support of Non-Profits

CPB supports non-profit customers' banking needs. We have over 175 non-profit customers, to whom we have committed over \$75 million in loans. In addition, our main branch features Tidepools, which makes free of charge coworking spaces available to non-profits.



CPB Customer Kākou Collective at the 2022 Tidepools Holiday Marketplace



## HMAA Baby and Me Program

HMAA, one of the largest health insurers in Hawai'i, offers a free "Baby & Me" maternity program designed to help expectant moms and their babies stay healthy during and after pregnancy. CPB started partnering with HMAA in October 2022 to offer "Baby & Me" participants a one-time \$100 bonus to help fund for their newborn's education when they make an automatic monthly deduction from a Shaka Checking account to a HI529 Plan.

A HI529 Savings Plan, also known as a "qualified tuition plan," is Hawai'i's 529 Plan offered by the State's Department of Budget & Finance. It is a tax-advantaged way to set aside money for tuition and other college expenses, including room, board, equipment, and more. HI529 Plans can be used at any K-12 public, private or religious school and at any eligible educational institution that accepts financial aid, including 2- or 4-year colleges or universities, vocational/technical schools, career retraining schools, dual credit courses and graduate schools.

# Our Operations

CPB operates to protect its customers and take ESG considerations into account in its business decisions.

## 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 feedback.

## ESG Investing and Credit Standards

When we choose where to invest our money, we not only consider financial and other risk factors, but also governance practices, environmental and social impacts, and regulatory and reputational risks. This approach is reflected in our Investment Policy adopted by our Board.

When we choose who to lend to, we not only consider financial and other risk factors, but also how borrowers safeguard the environment, advance social equality, and employ good corporate governance. This approach is reflected in our General Lending Policy adopted by our Board. In accordance with our current General Lending Policy:

- **We will not make loans to businesses or organizations involved in:**
  - illegal activities
  - cannabis
  - activities that support unsustainable forestry practices
  - mining
  - fracking
  - nuclear energy and other nuclear activities
  - oil and gas exploration and extraction
  - gambling
  - pawn shops
  - payday lenders
  - hate groups
- We highly scrutinize and may not make loans to businesses or organizations involved in:
  - adult entertainment and publications
  - blockchain and/or cryptocurrency
  - debt collection agencies
  - firearms, weaponry, and ammunition manufacturers, distributors or retailers
  - legal/over-the-counter CBD products
  - private prisons
  - tobacco and vaping products
  - trading in endangered/protected wildlife products



## 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 serves. Every vendor is subject to CPB's risk assessment and is carefully managed to limit exposure.

# Sponsorships and Charitable Activities

CPB employees along with the Central Pacific Bank Foundation (CPB Foundation) help to further key areas including housing and community development, education, economic advancement, and environmental initiatives – all pathways leading to a thriving and sustainable future for generations to come. The CPB Foundation, since its inception in 2007, has been committed to strengthening Hawai'i communities through partnerships, collaborations, and signature programs.

In 2022, \$1.3 million was granted by the CPB Foundation to more than 100 non-profit organizations in the State of Hawai'i to support residents and businesses where help is needed most. In addition, CPB directly donated over \$500,000 to non-profits in 2022.

## Support for Housing and Community Development

The CPB Foundation aims to foster social progress, while creating opportunities for generations of residents statewide.

- **Pu'uhoonua O Wai'anae Farm Village:** Pu'uhoonua O Wai'anae is leading the development of a 20-acre farm village in Waia'anae Valley. The CPB Foundation's two-year commitment of \$50,000 will help with the development of roadways, infrastructure for electricity, a community kitchen, shared restroom amenities, and 80 individual dwellings for up to 300 people.
- **House Maui:** The CPB Foundation extend \$35,000 to support the planning and delivery of much needed workforce housing in Maui County. This is a project of the Hawai'i Community Foundation, and it will engage County and State governments and private partners like CPB.
- **Hawai'i Home Ownership Center (HHOC):** As a longstanding supporter of HHOC, the CPB Foundation provided a \$5,000 grant in 2022 to support their educational and informational programming to help support first-time homeowners in Hawai'i.
- **Soto Mission of Aiea:** Committed to providing a safe place and nurturing environment for people of all ages and denominations to gather, these facilities are open and accessible to the community seven days a week. The CPB



CPB Employees Supporting the 2022 PRIDE Festival

Foundation granted \$7,000 to support their “Life Partners” initiative which includes the construction of a new activity center that will offer an after-school enrichment program for underserved youth and a senior day care program.

- **Palama Settlement:** Serving the Kalihi and Palama neighborhoods, this community-based social service agency partners with those who have the greatest needs, empowering them to enhance well-being through education, health, and recreation. Our grant of \$12,500 is designated for their new Innovation Digital Arts Academy offering classes on digital arts, coding, animation, design, and digital graphic skills for youth ages eight to 17, and adults online.
- **Activation of Downtown & Chinatown Honolulu:** In 2022, work with several non-profit organizations like A Better Chinatown Association, Make Music Hawai'i, and The Creative City were aimed at once again positioning Downtown Honolulu as a vibrant gathering hub for events and businesses to excel. Programming included exhibitions and activations open to the public, as well as free cultural and live music demonstrations hosted at CPB's flagship main branch and in the surrounding neighborhood.

## Commitment to Education

CPB and the CPB Foundation are committed to empowering youth with tools and opportunities to succeed, including with scholarship opportunities for students in various programs.

- **CPB Foundation Scholarships:** The CPB 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 2022-2023 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.
- **Central Pacific Bank Rising Scholars Program (COP):** Funding from the CPB Foundation helps economically disadvantaged individuals, many of whom are the first in their families to attend college, to fulfill their potential through the University of Hawaii at Mānoa College Opportunities Program (“COP”) Central Pacific Bank Rising Scholars scholarship. COP provides a free six-week summer academic and residential program to prepare students for a successful freshman year and provides ongoing counseling support.
- **Hawai'i Public Charter Schools:** In 2022, the CPB Foundation earmarked \$50,000 to specifically support the unique needs and requests of Hawai'i's public charter schools. One initiative underway is the development of financial literacy courses for students.
- **Kaua'i Planning & Action Alliance:** Aimed at making education more efficient, effective, and equitable, the CPB Foundation is supporting the Hawaii State Department of Education's Kaua'i Complex Area's education technology pilot program. Now in Phase II, the grant of \$25,000 will benefit their School Design Improvement Initiative, which uses improvement science as the basis for building processes and tools to achieve the desired academic results.
- **Hawai'i Tokai International College (HTIC):** HTIC is an accredited, two-year liberal arts college located in Kapolei, Hawai'i. The \$16,200 in funding from the CPB Foundation in 2022 will go toward scholarships for local, first-year or transfer students. As the American campus of the Tokai University Educational System of Japan, an educational opportunity like this one helps to develop globally connected leaders of tomorrow.



CPB sponsored vendor Hutt 'n Putt at the 2022 Made in Hawaii Festival

## Support of Economic Advancement

We believe a diverse local economy creates a stronger and healthier community for all.

- **Made in Hawaii Festival:** In partnership with the Hawaii Food Industry Association, CPB was proud to serve as the “Official Bank” of the Made in Hawaii Festival, just one of four primary sponsors. CPB's support to help underwrite the event enabled approximately 400 small businesses to reach nearly 25,000 customers over the three-day event selling locally made products. Additionally, CPB worked with the Patsy T. Mink Center for Business and Leadership's small business networks to invite and pay for booths for 20 exhibitors, many of whom never previously participated in the Festival.
- **Recognition by the U.S. Small Business Administration (SBA):** In 2022, CPB and its customers were proud to be the recipients of nine of 14 SBA Small Business Awards for Hawai'i, including Senior Vice President, Division Manager, Business Banking Susan Utsugi being named 2022 Women in Business Champion of the Year for the State of Hawai'i
- **Council for Native Hawaiian Advancement (CNHA):** CNHA is a member-based non-profit organization. In 2022, the CPB Foundation provided a \$10,000 grant to further its mission to enhance the cultural, economic, political, and community development of Native Hawaiians.

“When you get in touch with CPB, they will make sure that you are taken care of. I just haven't experienced that with the other banks, especially here. To the other banks, you're a nobody. To CPB, you're somebody.”

– Tim & Sandra Heaton, Gypsea Gelato



## 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.

- **U.S.-Japan Council (USJC):** In 2022, the CPB Foundation provided a landmark \$100,000 grant to the USJC, whose signature program is the Climate & Sustainability Initiative. This program puts a spotlight on the climate crisis through virtual and in-person events and activities. Bilateral leaders and change-makers are brought together to share strategies and take action.
- **Hawai'i Sustainability Summit:** The Summit aims to align statewide sustainability efforts by sharing policy priorities and action-oriented work. The CPB Foundation provided a \$10,000 grant in support.
- **Trust for Public Land (TPL):** TPL provides leadership and funding for park creation and land conservation for the people of Hawai'i to enjoy. In 2022, CPB Foundation provided a \$7,500 grant to support the restoration of the Hāwea heiau and Keawāwa wetland complex which includes an ancient coconut grove, petroglyphs, and habitat for native wildlife. Additionally, CPB recruited volunteers from its own Women's Leadership Program initiative to help with weeding and removal of invasive plants, and the planting of native plants.
- **Hawai'i Agricultural Foundation:** CPB was the presenting sponsor of the Hawai'i Agricultural Foundation's Eat Think Drink educational series in 2022. The events have focused on topics like AgTech and food waste, bringing the community together with industry leaders.

## Support of Student Athletics

Recognizing that providing healthy outlets for our young people is another way to contribute to their growth and success, CPB in 2022 made a conscious effort to get more involved in athletic sponsorships for students. In the area of high school sports, the bank for the first time sponsored sports activities on the islands of Maui, Hawai'i island and Kaua'i. CPB also took a leadership role in recognizing the Hawai'i Little League world champions to help spread fellowship and goodwill to the entire community. In 2022, CPB became a University of Hawai'i Athletic Department Corporate Partner, to support the financial needs of student athletes at the largest college athletic program in the state.



2022 BIIF Volleyball D1 Champs - Kamehameha Warriors with Brandon Mailhot, CPB Vice President & Kailua Kona Branch Manager



## Our Signature Programs Supporting the Community

- **WE by Rising Tide** – Now in its second year, CPB and the CPB Foundation continued its signature program benefiting women entrepreneurs with a \$100,000 investment. WE by Rising Tide is an accelerator program offering consultation on finances, leadership development, and marketing for 20 women business owners in each cohort, over a 10-week period. It is coordinated by the YWCA Oahu’s Patsy T. Mink Center for Business & Leadership, via promotional opportunities provided by aio Media, and with support from Rising Tide Hawai’i, CPB’s entrepreneur community.
- **Change for Charity** – CPB’s innovative Change for Charity campaign was launched to help address an unprecedented coin shortage experienced in the financial services industry, while also raising money for Hawai’i Foodbank to help fight hunger. CPB collected an impressive \$7,886.72 in coins. The CPB Foundation also contributed an additional \$5,000 bringing the grand total donated to \$12,886.72.

“Hawai’i Foodbank is deeply grateful for the opportunity to partner with Central Pacific Bank on this worthy initiative. Food insecurity affects nearly a quarter of a million Hawai’i residents, including many of our keiki and kupuna. It is amazing to see the power of community pulling together. This generous donation will provide food for more than 27,000 meals to those in our community who are facing hunger.”

– Amy Miller Marvin, President and CEO of Hawai’i Foodbank

- **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.
- **United Way Corporate Campaign** – Each year, CPB employees support our United Way corporate campaign through collective donations that support the urgent needs of our community. In 2022, 78% of employees gave generously to raise more than \$430,000.
- **Employee Community Service** – CPB is also proud of its many employees who generously volunteer hours of community service and steward numerous local causes. In 2022, our employees tirelessly devoted more than 6,200 hours of service to more than 130 nonprofit organizations. Employees are given three days of paid leave annually for individual volunteer efforts.



The 2022 WE by Rising Tide participants with program executives

# Support for Our Employees

CPB 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 2022, CPB's workforce was over 90% ethnically diverse (non-Caucasian or two or more races) and 66% female, with 57% of all management staff having a supervisory role being female. CPB prides itself the diversity of cultures, generations and backgrounds of our workforce which mirrors the diverse communities we serve.

**Training, Education and Mentorship:** CPB believes that employees should constantly grow and learn new skills. Upskilling and developing career pathways for internal promotions is an ongoing priority. CPB's investment in our employees includes the following:

- **Tuition Reimbursement:** CPB has a tuition reimbursement program for external trainings and courses. In 2022, CPB provided \$4,000 in tuition reimbursements for the benefit of employees.
- **Training:** CPB mandates employee participation in formal training courses in both in-person and online formats. In 2022, CPB provided approximately 200 in-person trainings and 5,000 web-based trainings.
- **Mentorship:** CPB supports both formal and informal mentorship opportunities. Our Executive Committee manages a Mentor Program and Individual Development Plans for high potential employees.
- **Mainland Banking School:** Each year a cohort of two to three high potential employees is sent to the Pacific Coast Banking School to further develop banking technical skills. In 2022, two CPB employees completed this program.
- **Toastmasters:** Our CPB Toastmasters club helps participating employees gain public speaking, communication and leadership skills.
- **Women's Leadership Program:** The CPB Women's Leadership Program (WLP) provides 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, communication and leadership skills.

**Retention:** Total gross turnover for CPB tracks well below the market. At the end of 2022, 35% of CPB's current staff had been with the organization for ten years or more, and the average employee had more than nine years of service. The years of dedicated service are a true testament to the culture each employee contributes to and upholds at CPB.

**Community Service:** CPB supports its employees giving back to their communities. CPB participates in an annual donation drive for the Aloha United Way, as well as company-sponsored volunteer events. Employees are given three paid community service days for individual volunteer efforts to support local non-profit organizations.

## Central Pacific Bank Employees

90% ETHNICALLY DIVERSE (NON-CAUCASIAN OR TWO MORE RACES)

66% FEMALE

57% OF ALL MANAGEMENT STAFF HAVING A SUPERVISORY ROLE ARE FEMALE

## Compensation and Benefits

Our employees are our greatest asset, and we believe that investing in their well-being is essential. CPB is committed to investing in its employees through a comprehensive and competitive compensation and benefits package that includes health insurance, retirement savings plans, employee development programs, career advancement opportunities, and a focus on preserving a work/life balance.

CPB's compensation philosophy is designed to support our strategic objectives to attract, motivate, and retain talented employees who drive CPB's success. We strive to provide base salaries that align with the market when employees are fully proficient and meeting expectations. Employees with extensive experience, who consistently perform above expectations may be paid a higher base salary, and therefore salaries for these employees may lead the market.

In addition to base salary, our compensation program includes variable pay (e.g., commission, incentive, bonus) for all employees. Our variable pay programs are designed to motivate and reward high levels of individual performance that aligns with our corporate strategy and business plan, and contributes to CPB's success. In addition, our variable pay programs encourage employees to do the right things for the right reasons for our customers and CPB and are reviewed to ensure that compensation does not improperly incentivize unsafe and unsound practices. Performance both as a team and individual contributes directly to serving CPB's customers and communities; sustaining CPB's strong performance, and adding value to shareholders.

“I started working for CPB as a customer service manager. I was 21 years old and inexperienced. They motivated me to go back to school. CPB put me through school and paid for college and I received a degree in Business Management. Later, CPB helped me in purchasing my first home. The Bank has a program for employees where there is a discount in points.”

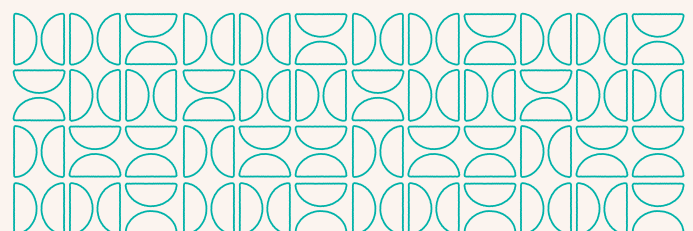
– Florelei Lopez, Branch Manager, Central Pacific Bank Ewa Branch

### Benefits provided by CPB include:

- Competitive salary
- Career advancement opportunities
- Incentive award/bonus program
- Paid Time Off including for vacation, dependent care, community service and sickness
- Paid Family and Medical Leave (FMLA), including parental leave
- 401(k) Retirement Savings Plan with Company Matching Contributions
- Medical, Prescription Drug, Vision & Dental Plans
- Health & Wellness Programs
- Employee Assistance Program
- Flexible Spending Plan
- Group Life Insurance
- Long Term Disability Insurance
- Long Term Care Insurance
- Voluntary Insurance Products
- Training Programs
- Tuition Reimbursement
- Employees Club Activities
- Company-Sponsored Events
- Bus Pass Program
- Biki Bike Program
- Pre-Tax Parking Benefits
- Banking Benefits
- Employee Recognition Events

CPB's benefits are equally provided to all gender identities. Parental leave is available to both biological and adoptive parents of any gender.

CPB's health plans provide coverage in accordance with the Gender Affirming Treatment Act for treatment of gender dysphoria. Benefits include coverage for gender reassignment surgery, hormone therapy, hospital room and board and other medically necessary gender reassignment related services and supplies.





### Health, Safety and Wellness

CPB complies with all applicable regulations for workplace safety. We track data related to workplace health and safety.

- **Mental Health Support:** CPB places importance in its employees' mental health. Mental health services are covered in the health insurance policies offered to CPB employees, and employees are able to use sick days for mental health purposes. In addition, CPB offers an Employee Assistance Program which offers employees assistance with any issues that may be interfering with an employee's job or personal life, with access to professional services relating to mental health, legal, financial, healthcare navigation, mediation, identity theft or coaching.
- **Work/Life Balance:** CPB understands the importance of ensuring its employees' have meaningful, productive lives outside of work. CPB allows employees to work remotely at the discretion of each manager based on role and business needs. Non-customer facing employees may be offered flexible and variable work schedules, as approved by their manager. Some positions that are under stricter regulatory oversight may primarily have set schedules; however, among the positions that are flexible, approximately 65% of total employees can work with their managers to find accommodations.
- **Employee Safety:** CPB's Safety Committee creates and fosters a culture of safety and employs programs designed to provide a safe working environment for our employees as well as our customers and community. CPB conducts safety training including first aid, CPR and use of AED devices that are readily available across our branches and business offices. Employees understand their responsibility to immediately report any potential safety hazards, promote safe work habits and adhere to all safety policies and procedures.

- **Health and 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 eight 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 Holiday Party, are also much anticipated and coveted opportunities to share in each other's company, beyond the office setting.

“I was working in retail for 13 years in a very demanding job. I needed to find something that would open up more time to spend with my daughter. In three years since coming to CPB I've been promoted to a Branch Manager and it is something I'm very proud of. I have more time to spend with my family, especially my daughter with time on the weekends, evenings, and holidays. It is truly great.”

– David Na, Central Pacific Bank Ward Branch Manager



CPB Employees at the 2022 American Heart Association Heart Walk

## 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 anticipating the environment and tools our employees need to perform at their best. One of the ways we do this is by conducting an annual culture survey, for which results are carefully reviewed and disseminated among leaders.

In 2022, 94% of employees submitted feedback to CPB's culture survey which resulted in an overall employee satisfaction rating of 4.01 (based on a 5-point rating scale). 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.



# "Best Places to Work 13 Years Running"

## Equal Opportunity

CPB publishes a EEO-1 Report Summary at [ir.cpb.bank/Corporate-Social-Responsibility](http://ir.cpb.bank/Corporate-Social-Responsibility). This workforce diversity data showcases CPB's commitment to building a diverse and vibrant workforce that reflects the communities in which we serve.

It is CPB's policy to require employment, promotions, compensation, and all employment-related actions to be based solely on individual merit and personal capabilities without regard to race, religion, color, national origin/ancestry, gender/sex, age, sexual orientation, arrest and court record, marital status, disability, military service, veteran status, genetic information, or any other characteristic protected by law. We periodically conduct analyses of all employment-related actions to ensure equal opportunity.



CPB Employees with Arnold Martines, President & CEO



# 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, CPB 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) on our business, customers and communities. 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.

CPB is working to assess the risks of climate change and sea-level rise to its business, including with respect to its operations, customers, investments and loan portfolio, and taking sustainability into account in its future business plans. 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. Our deposits, loans and other products focused on renewables include:

- Over \$12 million in loans to our renewable energy company customers;
- Deposit accounts for over 70 renewable energy customers;
- 2,734 loans to finance residential photovoltaic (PV) systems, with an outstanding principal balance of approximately \$94 million outstanding as of December 31, 2022;
- Home equity lines of credit used by customers for residential PV and/or battery storage systems;
- Business loans used by businesses for PV, battery storage and/or energy savings upgrades to commercial real estate; and
- Sustainable investment options for our wealth management customers through LPL Financial that consider positive ESG strategies.

CPB also supports Hawai'i's agricultural sector. Hawai'i's 2050 Sustainability Plan aims to double local food production by 2050 so that 20 to 30% of the food consumed in Hawai'i will be produced locally. CPB has over 500 customers in the agricultural sector and has committed over \$11 million in loans to these customers.

“Central Pacific Bank has been a partner to MA'O Organic Farms in supporting the growth of our social enterprise program and farm operation. With Central Pacific Bank's support, we have increased our sustainable organic farm operation from 45 acres to 281 acres, and have been able to expand our programs to train and develop our local youth into sustainable career pathways through our programs which provide scholarships, stipends, and work and leadership experience.”

– Journal Kukui Maunakea-Forth,  
Executive Director, MA'O Organic Farms

## 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.

- PV panels are installed at four CPB facilities producing approximately 26% of the total annual energy usage of such facilities. The annual average of energy produced by these PV panels is about 470,000kWh, amounting to approximately \$210,000 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.
- 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 CPB Headquarters building and are being explored at other locations.
- Bus passes are heavily subsidized for employees to limit the use of cars as transportation to work. Currently, 128 employees use the bus to commute to work through this program.
- 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.

2022 Annual Paper Recycling saved approximately

**556,000** **275**

Kilo Watts  barrels of oil

**2,500** trees

**2.23** million Metric Tons of Carbon Equivalent (MTCE)

**560** cubic meters of landfill avoided

**>6,800** pounds of e-waste recycled

All electronic waste is responsibly recycled to minimize environmental issues such as harmful toxins and to save natural resources.



Recycle bins conveniently located near offices at all locations



## Environmentally Friendly Features at Central Pacific Plaza

Our flagship main branch and office building includes energy efficiency features which both save money and reduce emissions.

- Central Pacific Plaza received 16 consecutive EPA Energy Stars, the most of any building in Downtown Honolulu.
- Replacement of all building lighting fixtures with LED lamps.
- 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 and window tinting designed to exceed the previous heat transmission and reflectivity rating, limiting the heat load being transmitted during the day and reducing HVAC cooling requirements.
- Installation of five water bottle fill stations to help reduce plastic use and minimize the amount that ends up in oceans and landfills.



Central Pacific Plaza at King and Alakea

## Environmentally Friendly Features at New Branches

We are currently constructing and renovating new branches, with features designed to conserve water, reduce stormwater runoff, and conserve energy. Design features at new branches will include:

- Use of drought tolerant native Hawaiian plants, gravel and wood mulch;
- Preservation of existing trees;
- An irrigation controller system that automatically adjusts based on weather conditions;
- Tinted, thick exterior glazing on windows limits the heat load being transmitted during the day and reduced HVAC cooling requirements;
- Use of sustainable or recyclable building materials when available and cost effective;
- Use of LED lighting installation with appropriate controls per the International Energy Conservation Code (IECC 2015);
- Installation of photovoltaic systems;
- A high-efficiency air conditioning system that is designed to efficiently cool the building and to adjust cooling based automatically; and
- Use of low-flow plumbing fixtures.



Rendering of the new Kahului Branch in Maui

## Our Greenhouse Gas Emissions

CPB is working towards its first greenhouse gas (GHG) emissions inventory for Scope 1 and Scope 2 emissions. “Scope 1” refers to direct emissions, including company-owned generation and company vehicles. “Scope 2” refers to indirect emissions, which is primarily purchased electricity. Given the importance of ESG to CPB, it is a priority to understand our GHG emissions footprint. Our initial GHG emissions inventory, will be refined and expanded over time, and will guide development of future climate-related targets and action plans.

On March 21, 2022, the SEC proposed expanded climate-related disclosure rules. Once the final SEC rule is promulgated, our future GHG reporting disclosures will be aligned with the direction.

### Scope 1: Direct Emissions

CPB plans on completing an inventory of its Scope 1 emissions and anticipates it will consist of emissions associated with the purchase of fuel for our backup generators (14 total) and our six non-electric company vehicles (which consist of four gas and two hybrid vehicles). Given our operations, we do not expect our Scope 1 emissions to be significant.

### Scope 2: Indirect Emissions from Purchased Electricity

Our Scope 2 emissions include purchased electricity for our owned and leased properties and are reported in line with the GHG Protocol using the location-based method. Our data for 2021 and 2022 covers 29 of our locations, accounting for approximately 91% of the square footage owned or leased by CPB.

In 2022, our location-based Scope 2 emissions dropped by 1.5% compared to 2021. This decrease can be attributed to our branch consolidations, as well as energy efficiency efforts across our locations.

METRIC	2021	2022	Change 2022 vs. 2021
Electricity Purchased (KwH)	6.42MM	6.32MM	-1.5%
Location-Based Scope 2 Emissions (TCO2E <sup>1</sup> )	4,480	4,420	-1.5%

<sup>(1)</sup> TCO2E stands for metric tons of CO2 equivalent



## CPB Leadership in Environmental Initiatives

The Hawai'i 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 Hawai'i" 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 Chairman Emeritus Paul Yonamine, Chairman Catherine Ngo, and Directors Duane Kurisu, Jason Fujimoto and Colbert Matsumoto 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.

CPB Directors are active in sustainability efforts, both through the companies they lead, and through the boards on which they serve. Initiatives which our Directors are involved in include PV installation, energy conservation efforts, energy efficiency building retrofits, Hawai'i's renewable energy law which mandates 100% of Hawai'i's power will come from renewable energy by 2045, tree planting, and climate change adaptation programs to support Hawai'i's resilience and economy. Our directors bring this experience and knowledge to CPB in supporting CPB's environmental initiatives.



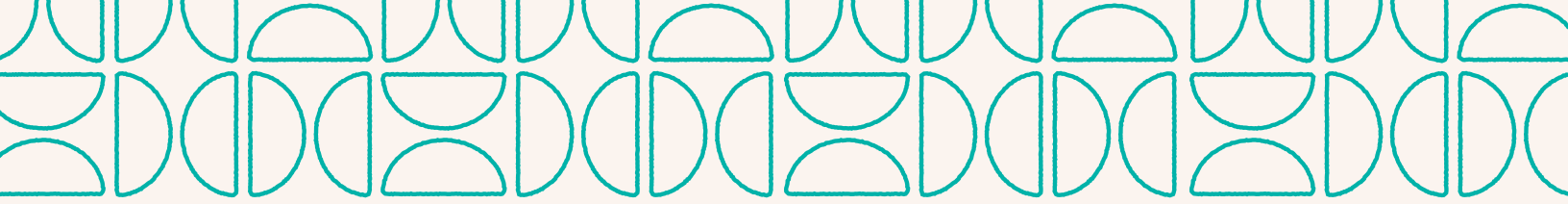
CPB Foundation donated \$100,000 to Kupu in support of their environmental initiatives for the local community.

## 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 Hawai'i, Institute of Human Services, Center for Tomorrow's Leaders
- **Earl Fry:** PACE (Pacific Asian Center for Entrepreneurship), Japanese Cultural Center of Kona
- **Jason Fujimoto:** Hawai'i Asia Pacific Association Leaders, Holomua Collective, Hawai'i Executive Collaborative, Hawai'i Business Roundtable, University of Hawai'i Hilo Chancellor's Community Advisory Board, U.S. Army Garrison Pohakuloa Training Area Commander's Advisory Council
- **Jonathan Kindred:** Hawai'i Contemporary
- **Paul Kosasa:** Hawai'i Community Foundation, Hawai'i Food Industry Association, Hawai'i Symphony Orchestra, Japanese American National Museum, Kuakini Health System, Waikiki Business Improvement District Association
- **Duane Kurisu:** Claremont McKenna College, Downtown Athletic Club Hawai'i, Punahou School, Hawai'i Asia Pacific Association, Catholic Charities Hawai'i, PACE (Pacific Asian Center for Entrepreneurship), Hawai'i Executive Collaborative
- **Christopher Lutes:** Emmett R. Quady Foundation
- **Arnold Martines:** Child and Family Service, Saint Louis School, Aloha Council of Boy Scouts of America, YMCA of Honolulu
- **Colbert Matsumoto:** Densho, Jikoen Hongwanji Mission, Center for Tomorrow's Leaders, Urasenke Foundation of Hawai'i
- **Catherine Ngo:** Hawai'i Community Foundation, Emmett R. Quady Foundation, Catholic Charities Hawai'i, The Queen's Health Systems, Trust for Public Land Hawai'i 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
- **Anna Hu:** Sacred Hearts Academy, Public Schools of Hawai'i Foundation, Aloha Council Boy Scouts
- **Kisan Jo:** Boys and Girls Club Hawai'i, Aloha United Way, Hawai'i Lodging and Tourism Association
- **David Morimoto:** Institute for Human Services, Downtown Athletic Club Hawai'i, Hawai'i Asia Pacific Association Leaders
- **Diane Murakami:** Roman Catholic Diocese of Honolulu, Chamber of Commerce Hawai'i, Mental Health Kokua, Catholic Charities Hawai'i, Kahala Business Association





## About Central Pacific Bank

Central Pacific Bank is the primary subsidiary of Central Pacific Financial Corp., a Hawai'i-based bank holding company with approximately \$7.4 billion in assets as of December 31, 2022. Central Pacific Bank operates 27 branches and 64 ATMs in the State of Hawai'i. For additional information, please visit the Company's website at [cpb.bank](http://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.

