



2021 ENVIRONMENTAL SOCIAL GOVERNANCE REPORT

BANKING ON THE FUTURE

2021 ESG HIGHLIGHTS

BANKING ON THE FUTURE



281

tons of paper recycled. Equal to 4,708 trees and over 1,403 cubic yards of landfill space saved



OUTSTANDING

CRA Rating



57%

of customers receive electronic statements



2,032

PPP Loans originated for \$412M to help small businesses in our communities



2,896

Employee Volunteer Hours



\$3.5M

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



97%

of Employees completed Diversity Training



\$1B

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



2,218

Employees



92%

Independent Directors



51%

Racially Diverse Employees



25%

Female Directors



57%

Female Employees

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ABOUT THIS REPORT

This 2021 Environmental Social Governance Report (this “Report”) is Pacific Western Bank’s (the “Bank,” the “Company” or “PWB”) comprehensive annual report focused on environmental, social and governance (“ESG”), inclusive of our efforts in the areas of social responsibility, community reinvestment, corporate governance, ethics and risk management, environmental sustainability, human capital management, and diversity, equity and inclusion. Our annual ESG report is not only a look back at the actions we have taken but an opportunity to highlight the impact those actions have had on the communities and customers we serve. Our intention with this report is to share how we, as an organization, view, value and integrate ESG considerations throughout our operations to mitigate risks while leveraging new opportunities to do good. We plan to publish our ESG report annually in the second quarter of each year on our website at pacwest.com.

This ESG report is intended to be a companion to our 2021 Annual Report on Form 10-K and 2022 proxy statement. Unless otherwise noted, this report includes data and activities from Pacific Western Bank operations for the 2021 calendar year. All data is as of December 31, 2021, but may include, in certain sections, select data from the prior year, 2020, to facilitate a year-over-year comparison.

OUR ESG EXECUTIVE COMMITTEE

In 2020, we formed an executive-level ESG committee to provide guidance on ESG issues, to help establish the Bank’s ESG goals and drive progress against them, and to oversee internal and external ESG-related disclosures. The committee is composed of executives from different business lines and functions across the Bank. In addition, we added the topic of ESG to our Board of Directors Compensation, Nominating and Governance (CNG) Committee meeting agenda to facilitate further discussion of the steps and initiatives we are taking as a bank. In 2021, we also formed ESG Working Groups to focus on ESG initiatives and data mining and reporting to enhance our ESG transparency.

An overview of our ESG governance structure and the duties and responsibilities of each committee and working group are outlined below.



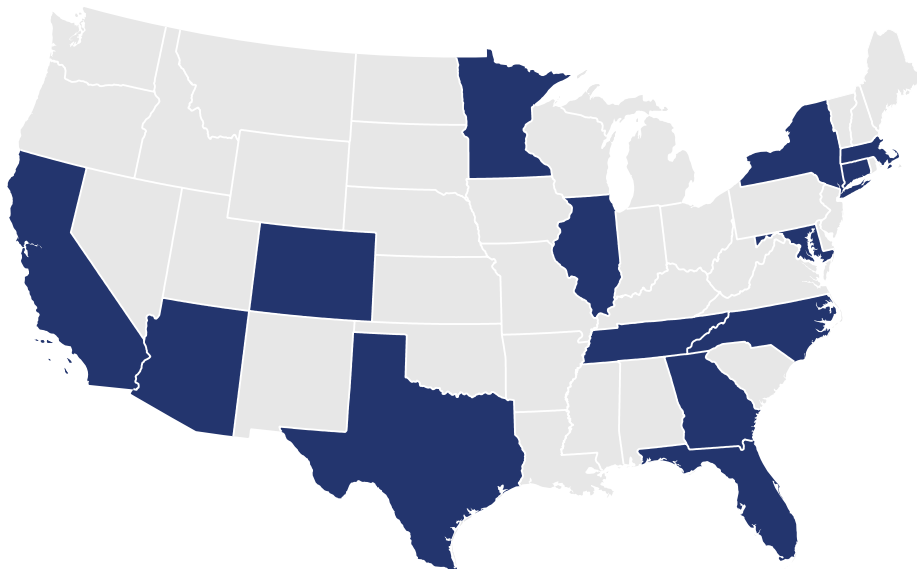
PACIFIC WESTERN BANK OVERVIEW

Pacific Western Bank is a commercial bank with over \$40 billion in assets headquartered in Los Angeles, California, with an executive office in Denver, Colorado. The Bank has 69 full-service branches located in California, with one branch located in Durham, North Carolina, and one branch located in Denver, Colorado. The Bank provides community banking products, including lending and comprehensive deposit and treasury management services to small and medium-sized businesses conducted primarily through our California-based branch offices and Denver, Colorado branch office. The Bank offers national lending products, including asset-based, equipment, and real estate loans and treasury management services to established middle-market businesses on a national basis.

The Bank provides venture banking products, including a comprehensive suite of financial services focused on entrepreneurial and venture-backed businesses and their venture capital and private equity investors, with offices located in key innovation hubs across the United States. The Bank also offers financing of business purpose, non-owner-occupied investor properties through Civic Financial Services, a wholly-owned subsidiary. The Bank also offers a specialized suite of services for the HOA industry.

\$40.4B*	\$22.9B*	\$35.0B*	2,218*
Total Assets	Total Loans, Net of Deferred Fees	Total Deposits	Employees

Operating nationally with primary offices located in 14 states.



*AS OF DECEMBER 31, 2021



A MESSAGE FROM OUR CEO

Over the last year, we have made significant progress in our ESG governance and initiatives. Like all businesses, we continue to deal with the ongoing challenges of the COVID-19 pandemic, but we have continued to serve our clients throughout the pandemic and look forward with optimism to the future. We are fortunate we have a robust and dedicated workforce that has remained adaptable in the face of continuing change. Whether supporting our digital innovation or helping us deploy capital to sound businesses, our employees are the lifeblood of our ongoing success and future vision.

We welcomed several hundred new employees to the Bank in 2021 through our hiring process and through the completion of two acquisitions, which increased our racial diversity. To elevate the diverse voices that make up our workforce, we increased our focus on creating a culture of inclusion and consistent employee learning opportunities. Our employee-led Diversity, Equity and Inclusion (“DEI”) advisory council called “PRISM” hosted internal forums and a guest speaker series to drive open and honest dialogue. PRISM brought an array of topics to the forefront, creating safe spaces for authentic and important conversations. We also improved our compensation program by integrating standards for fair, equitable and transparent compensation across the Bank in a total rewards format and increasing our minimum wage from \$15 per hour to \$18 per hour.

We believe that change is driven by empowering those we serve. Accordingly, we increased our efforts to deploy capital to businesses supporting sustainable development in their local communities and on a national level through our “Banking on the Future” initiative. In this Report, you will find real-life stories of business leaders and entrepreneurs who are forging a new and profitable path to positively impact the environment and the world and to further equality and equity. We also increased our affordable housing lending efforts by deploying a Bank record of over \$545 million in loans for properties subsidized with Low-Income Housing Tax Credits, resulting in 1,590 affordable housing units being built throughout communities served by the Bank.

Our desire to promote diversity, equity and inclusion in all we do goes beyond our lending efforts and includes our continued focus on expanding our supplier diversity program. For every supplier we engage, we go through a comprehensive diligence and review process to foster equal opportunity and growth for companies owned by minorities, women, veterans and other underrepresented groups. We invest both time and resources in partnering with these organizations and their founders to not only engage them for their services, but to support their professional development by sharing our own expertise and time to help their businesses and footprints grow.

I am proud of the progress we have made in furthering our ESG efforts throughout the past year, but our work is not done. ESG is a journey, and we will continue to strive to expand our focus and knowledge of how our ESG actions can positively impact those we serve, our stockholders, our employees and our communities. It will take all businesses, across all sectors, to create the forward progress necessary to deliver the sustainable change we all deserve.



Matthew P. Wagner
President and CEO

SOCIAL RESPONSIBILITY

DIVERSITY, EQUITY AND INCLUSION (DEI)

OUR DEI JOURNEY

Our Bank is committed to creating a culture of inclusion where differences are appreciated and respected. Diversity of background, experience and perspective adds value and depth to our teams and creates better business results. Our commitment is supported by actionable goals through our strategic plan. Our focus affirms and advances our commitment to a diverse, equitable and inclusive culture and workforce that will help us maintain the highest standards of excellence in pursuit of our goals.

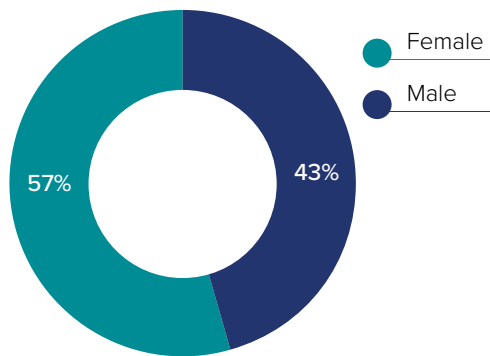
Pacific Western Bank's strategic approach to diversity, equity and inclusion is the right thing to do for our clients, employees, communities and shareholders, and it is critical to our Bank's success. We are on a continuous and evolving journey integrating DEI throughout.

To ensure our DEI strategy is comprehensive and guides our work across the Bank, we have broadened the definition of DEI, adding a focus on equity to our Diversity and Inclusion efforts. We have outlined goals for increasing our capabilities to build a diverse workforce at all levels, cultivate an inclusive culture and leverage our shared social responsibility as a valued business partner with our clients, suppliers and communities. Our goals are associated with key objectives and measurable metrics to evaluate progress and hold ourselves accountable to tangible results. In the past year, our approach to DEI shifted from a compliance-driven and tactical approach to a business-driven strategic focus.

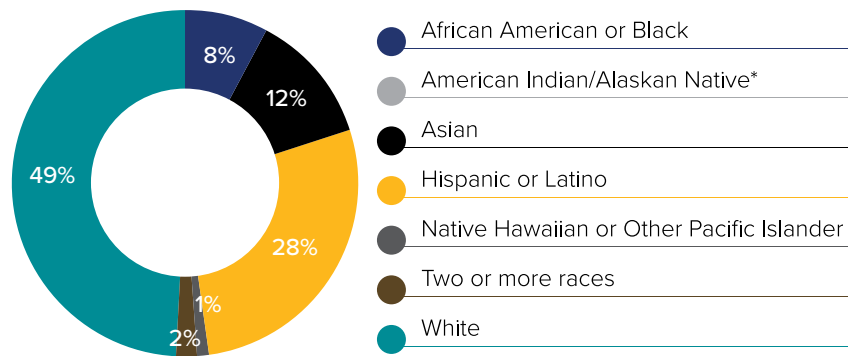
PWB'S GENDER AND RACIAL DIVERSITY AT A GLANCE

We are proud of the diverse workforce we have at the Company, as detailed in the graphics below.

STAFF GENDER¹



STAFF RACE¹



*Representation <1%

¹As of December 31, 2021.

PEOPLE

At PWB, our people are our greatest asset. We believe that a diverse workforce is essential to the success of the Bank. As part of our people and culture, we are focused on sustaining and growing a diverse and engaged workforce at all levels. There is a tangible benefit from varied perspectives, which results in innovation and growth. PWB is striving to make our workforce reflect the demographics of the communities in which we operate by enhancing external recruiting efforts and practices, as well as internal talent mobility to improve the diversity of our leaders and teams. Our DEI efforts permeate the talent supply chain, from hiring to promotion to growth.

Our talent acquisition team strives to identify and implement innovative talent solutions that support workplace diversity. Our multi-faceted recruitment efforts integrate a strategic employee referral program, partnerships within the community, professional and educational organizations. We are committed to employing military veterans, active

service members and individuals with disabilities seeking opportunities in the financial services industry. We have continued our partnership with DirectEmployers Association to post jobs on diversity-focused job boards to attract minority, female, veteran, differently-abled and LGBTQ+ talent.

PWB also intentionally seeks and develops talent with varied experiences, skills, and perspectives, which brings innovative solutions to our ever-changing and diverse customer base. We believe that with a diverse workforce, we foster a more inclusive culture that encourages our people to enjoy what they do and, in turn, produce exceptional results for our customers. Our continuous commitment to quality talent acquisition and development makes us more resilient and effective at achieving our goals.

CULTURE

At PWB, we strive to cultivate an equitable and inclusive workplace where differences are valued, appreciated and leveraged. A place where all employees are fully engaged and have the opportunity to develop professionally and succeed.



We believe that bringing together a broad set of perspectives and voices makes us a stronger and more inclusive Bank. Our demonstrated commitment to those voices is ever-present through the work of our DEI employee council, PRISM. PRISM embodies our employees' diverse backgrounds and works to cultivate an inclusive workplace that supports ongoing dialogue on DEI issues and topics. The council implements and expands educational training across the Bank and shares DEI best practices coupled with lessons learned.

PRISM plays a critical role in driving employee engagement and commitment to inclusion by connecting employees from different locations, functional areas, and demographic groups across PWB through its initiatives. This year PRISM continued its programs and open forums, including Leadership Lens, employee panels, the DEI guest speakers' series and Coffee & Conversations, which are all part of our PRISM initiatives. PRISM's goal is to increase employees' awareness and understanding of DEI. They successfully created more safe spaces for open dialogue about racial differences and unconscious bias while promoting active listening and understanding. These inclusive events offer all our people opportunities to share their perspectives, make personal connections and foster a sense of community and belonging to support their career with us.

SUPPLIER DIVERSITY PROGRAM

We are committed to promoting DEI as a valued business strategy imperative within the communities we serve, among our clients and suppliers. Engaging with diverse suppliers has a measurable and significant impact on our Bank. By diversifying our supply chain, we promote job creation and stimulate local economies where diverse suppliers operate. Our supplier diversity program helps foster equal opportunity and the growth of deserving companies owned by minorities, women, veterans and other underrepresented groups. By advancing supplier diversity, we believe we are contributing to the long-term economic sustainability of the communities in which we operate. The Bank's efforts include integrating our strategic supplier diversity program into our procurement and sourcing functions. We have developed a supplier diversity program framework, committed resources and developed new processes and tracking measures. We track our supplier diversity impact externally through economic contributions and job creation data.



FINANCIAL INCLUSION: DOING GOOD WORKS

In addition to supplier diversity, we also seek out business partners that demonstrate values that align with ours. That is why we added to our promotional item suppliers this year by employing the services of Doing Good Works. Doing Good Works has a culture of caring and has designed its business model based on a 10/20/30 model. This means 10% of their profits fund empowerment and scholar programs for foster youth pursuing higher education, 20% of employee hours are dedicated towards volunteer work of their choice and 30% of their new hires come from the foster care community.

PROMOTING ACCESS TO CAPITAL

SUPPORTING BUSINESSES OWNED OR LED BY WOMEN AND MINORITIES

Our efforts in advancing economic equity also include collaboration with our business functions to promote financial inclusion. We have worked to increase access to capital for women and minority-owned businesses and support CRA initiatives, which contribute to minority communities' economic sustainability.

In 2021, the Bank invested meaningful time and \$125,000 in various organizations and events that promote access to investment capital for businesses owned or led by women, minorities and other underrepresented groups. Examples include sponsorship of organizations including the Women's Association of Venture & Equity, the Kayo Conference Series' Women's Private Equity Conference and the Falk Marques' Women's Private Equity Summit. The Bank provided support and consultation for emerging fund managers through its partnerships with Recast Capital and Revere VC. Bank employees participated in panel discussions regarding access to capital and provided coaching to early-stage founders of technology companies.



Also, in 2021, the Bank made \$1.7 Billion in loan commitments to 53 companies that fit the United Nations' Sustainable Development Goals.

PWB also initiated new client relationships with female-led investment firms Leeds Illuminate Equity and Company Capital. We also expanded and continued relationships with female-led firms Vacatia, Stillwater and Terracotta.

PROMOTING POSITIVE SOCIAL IMPACT CLIENTS

In 2021, PWB launched a social media campaign on the Bank's LinkedIn and Twitter accounts to highlight and promote seven clients whose businesses address one or more of the United Nations' Sustainable Development Goal areas.

TOTAL REWARDS: BENEFITS AND COMPENSATION

COMPENSATION PHILOSOPHY AND OBJECTIVES

PWB operates in a highly regulated and competitive landscape, so in order to attract and retain top talent, we have developed a Total Rewards program that allows us to successfully compete and grow our talent pool. The following principles of compensation serve as the foundation of our Total Rewards program:

- All facets of compensation are fair, equitable, transparent and set at levels that allow us to compete for the top talent while still maintaining our core corporate values.
- The program aligns the interests of our employees with the long-term interests of our customers and shareholders.
- Total Rewards recognizes that compensation is dynamic and ever-changing, which was a catalyst for the Bank moving from \$15 an hour to an \$18 an hour minimum wage in December of 2021.
- The median employee compensation was \$94,187 per year.
- Each role has an established salary grade and pay range based on industry-specific, market-based data, allowing for a structure that provides a clear path for strong performers.
- The program includes a Pay for Performance model where employees are rewarded for results other than seniority and tenure.
- As an employee's responsibilities increase, the mix of their total rewards more heavily lean towards variable compensation that is considered 'at-risk' based on individual goals achievement and company results.

PWB IN THE COMMUNITY

“This donation makes a tremendous difference in the lives of the men and women we serve, who are from low- to moderate-income communities, and in treatment to address issues of addiction, homelessness, mental and other social needs.”

AMITY FOUNDATION
LOS ANGELES, CA

EXECUTIVE COMPENSATION

Our executive compensation philosophy provides the principles that drive our compensation-related decisions: (i) align with stockholder interests, (ii) pay for performance, (iii) attract and retain executive officers, and (iv) mitigate risk. The Bank's general philosophy and objectives underlying our executive compensation program are to:

- Employ the best leaders in our industry to ensure we execute on our business goals;
- Drive short- and long-term profitable growth of the Bank; and
- Create long-term stockholder value.

PHYSICAL WELLNESS

- We offer multiple competitive medical, dental and vision plan options for employees to choose from to meet their families' needs.
- Critical illness, accident/injury and hospital indemnity insurance are available to protect employees further.
- Telehealth appointments are available to all employees enrolled in the Bank's health plans to make access to care even easier.
- Discounted gym memberships are available for all employees to encourage physical health.

- All employees are encouraged to complete wellness activities and can earn up to \$540 annually in incentives.
- Based on guidance from the CDC, medical boards and health authorities, we have worked to limit the risk of our employees' exposure to COVID-19.
 - For employees working in the office, we have provided temperature checks, conducted enhanced workplace cleanings, provided health and safety supplies and installed barriers to protect our staff and the general public.
 - We provided washable cotton face masks to every employee to help protect them and their families.

EMOTIONAL WELLNESS

- Unlimited, confidential, free, 24/7 behavioral health coaching is available to all employees and dependents age 13 and older.
- Eight video therapy sessions for each employee and their dependents are covered at no cost.
- A minimum of 20 days of paid time off is available to all benefits-eligible employees.

FINANCIAL WELLNESS

- Automatically enrolling new employees into our 401(k) plan helps set new employees up for success when saving for retirement.
- The Bank's 401(k) plan offers both pre-tax and Roth contributions with an employer match. The employer match is immediately vested and is 50% of employee 401(k) contributions up to the first 8% of earnings.
- Bank-paid life and AD&D insurance with supplemental options are available for employees and dependents to adequately cover their needs.
- Pre-tax flexible spending and health savings accounts are offered to reduce tax liability.
- Health savings accounts related to the high deductible plan are funded by the Bank and cover approximately 43% of the deductible
- The Bank reimburses public transportation expenses up to \$280 per month.
- Short- and long-term disability is provided at no cost in the event of an illness or injury.
- Tuition reimbursement of up to \$3,000 per year is available to employees to further their education.

OTHER BENEFITS

- Eleven Bank-paid holidays are observed each year to accommodate our diverse staff.
- Paid parental leave is available to all new parents to bond with the new addition to their family.
- Paid volunteer leave is available for employees to serve their local communities.
- Paid voting time off is available to employees to provide them the opportunity to vote.
- Legal advice to prepare legal documents, with unlimited email consultations and a 30-minute phone consultation per issue, is available at no cost.

We are committed to supporting the health and well-being of our 2,218 employees across the country and their families by offering flexible and competitive benefits.

TALENT MANAGEMENT AND DEVELOPMENT

CREATING OPPORTUNITIES FOR TEAMMATES TO GROW AND DEVELOP

We recognize the importance of investing in our people. That's why we provide a variety of resources to help our employees grow in their current roles and build new skills.



PWB employees used paid volunteer leave in December 2021 to volunteer at Second Harvest Food Bank. The group processed thousands of pounds of produce to distribute to local non-profits in the area.

LEADERSHIP DEVELOPMENT

While talent and skills development is a key area for all Bank employees, our first area of focus is management and leadership. In 2021, we launched two programs to develop our current and future leaders at Pacific Western Bank. Twenty-five percent of our managers across the organization have participated in these critical programs. Programs run quarterly.

PWB IN THE COMMUNITY

“With your support, we remain ready to provide food assistance and help our community weather the COVID-19 variants.”

SECOND HARVEST FOOD BANK ORANGE COUNTY
IRVINE, CA

LEADERSHIP ESSENTIALS

- This is our core virtual leadership program for managers of people. Leaders who participate in this program gain valuable insights into:
 - Their key strengths, preferences and mental models as they transition from an individual contributor to a successful manager;
 - Practical management skills like coaching, feedback and delegation that can immediately be applied back on the job;
 - Key leadership insights regarding their unconscious bias and how to create an inclusive and engaging working environment within their teams; and
 - Opportunities to expand their internal network through a collaborative learning experience that enables and encourages interaction with peers across the organization.

LEAD

- The purpose of our newest leadership development program is to develop our future leaders to be able to drive the ongoing success of the organization through building their skills to:
 - Recognize market, environmental and regulatory impacts to the overall organization and their teams
 - Identify areas within their teams where they can continually improve operations, processes and up-skill their people's capabilities to meet ongoing market challenges
 - Gain insights into their leadership strengths and opportunities by completing the Hogan Leadership Focus instrument and creating a personalized development plan
 - Develop insight into their roles in building an inclusive environment and building allyship within their teams
 - Lead their teams and the organization in managing ongoing change

Our first LEAD program was held in two in-person sessions in our executive offices in Denver, CO, and included a cross-functional group of future leaders. Key members of our executive team, in collaboration with the Talent Development team, facilitated the sessions.



LEARNING TOOLS

Through our personalized approach, we offer learning and development programs that ensure all employees have access to the resources they need to advance their careers:

- LinkedIn Learning allows all employees to create personalized learning plans tailored to their roles and interests. LinkedIn Learning provides access to articles, courses and videos to build industry knowledge and enhance their professional skills. Monthly learning challenges and divisional curators help tailor learning to the specific needs of each area of the business.
- Our quarterly webinar series, Navigating Next, is designed to support our company talent management processes. With webinars on topics like writing and delivering performance reviews and how to develop your own career development plan, we support all managers and employees with tools to drive career growth with Pacific Western Bank.

PWB IN THE COMMUNITY

“Your investment motivates us to innovate new strategies, cultivate partnerships and react quickly to increase our impact.”

RURAL LISC
NATIONAL

COMMUNITY REINVESTMENT

Through a robust community development program, Pacific Western Bank has a long-standing history of supporting local communities. We actively work to improve the well-being of those we serve by committing financial and human resources throughout California, Colorado, North Carolina and beyond. Moreover, in 2020, the Bank went into immediate action within our communities to address the various emergency needs brought on by the COVID-19 pandemic, the California wildfires, and America's awakening to social injustice. In addition, the Bank continued to support meaningful and sustainable change led by community organizations focused on advancing social, educational and economic equality.

Our Community Reinvestment Act rating, as determined by our banking regulators, has been "Outstanding" since November 2017 and has been rated "Outstanding" or "Satisfactory" since our inception in 2000. We are committed not only to maintaining our level of investment, lending and service but also to increasing it as we move into the future. We are always looking for new ways to enrich and support our communities. The Bank continues to consider the community needs ascertained through surveys and ongoing communication with local community leaders and organizations. The information below highlights our impact during 2021.

2,896

Total employee
volunteer hours

\$3.5M

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

\$697M

Community Development
Investments
(portfolio balance)

OUTSTANDING

Current Community
Reinvestment Act Rating

65%

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

25%

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

\$1B

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

4,900+

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

COMMUNITY DEVELOPMENT LENDING

We are recognized as a leader in community development lending. The Bank's success in this area of lending remains focused on affordable housing, economic development and community service initiatives. To advance these efforts during 2021, the Bank continued to do the following.

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

In 2021, the Bank originated, refinanced or purchased \$812 million in loans for affordable housing, supporting the creation or retention of 4,281 housing units for low- and moderate-income individuals or families. Of this total, more than \$545 million were construction loans on properties subsidized with Low-Income Housing Tax Credits, which created 1,590 new housing units.

RHONDA'S PLACE

The Bank provided an \$11.6 million loan to facilitate the construction of a 49-unit low-income housing tax credit property known as Rhonda's Place in Denver, Colorado. Residents include individuals with a disabling condition, disabilities or special needs who have a history of homelessness. Residents will receive services to help with mental health, substance abuse, employment and medical care.



WEINGART TOWER

The Bank provided a \$102.4 million loan to facilitate the construction of a 278-unit apartment tower with subterranean parking spaces in the Skid Row district of Los Angeles. The property will serve the homeless population and contain a mix of studio and one-bedroom units. The property will provide residents with the tools and support necessary to stabilize their lives, secure income and find permanent housing.



SMALL BUSINESS LENDING

Small business lending continues to be a focus for the Bank. We develop and offer loan programs in response to the needs of the community, such as:

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

We remain focused on establishing long-lasting relationships with our customer base. We will continue to discuss strategies with local Community Development Financial Institutions, small business technical assistance providers and other community development lenders to ensure near-bankable businesses have access to alternative sources of capital.

The Bank will continue to offer competitive and flexible line of credit products designed specifically for businesses with gross annual revenues of \$1 million or less. We will provide financial support for delivering technical assistance to small business owners.

COMMUNITY DEVELOPMENT INVESTMENTS

The Bank remains committed to investing and making charitable contributions in support of valuable community development initiatives.

ANNUAL INVESTMENTS

Annually, the Bank directs dollars tied to specific community development initiatives. These initiatives include affordable housing, small business development and community development services, such as health, education, and social programs that improve the well-being of low- and moderate-income individuals, families and communities.

Additionally, the Bank supports a wide range of programs and activities that promote self-sufficiency and credit stabilization for low- and moderate-income individuals.

During 2021, the Bank's invested \$92.5 million in low-income housing tax credits to support the creation or preservation of more than 4,900 housing units for low- and moderate-income individuals and families.

The Bank's portfolio of Small Business Investment Company investments supports the creation or retention of over 80,000 jobs.

CHARITABLE CONTRIBUTIONS

During 2021, the Bank granted over \$3.5 million in community development qualified charitable contributions. This total included \$301,000 set aside for small business lending support, technical assistance and targeted community initiatives that advance small business development. In 2021, the Bank funded \$308,000 to support initiatives to reduce homelessness and \$67,000 to support increased financial education and awareness.

The Bank and its employees have had a long-standing relationship with the United Way as a partner to help us support local community organizations. In each of the past six years, the Bank has donated \$100,000 to United Way. Our employees have also generously donated an average of \$91,000 in each of the past six years, bringing our total donations over this period to \$1,157,000. In 2021, the Bank donated a total of \$190,000 to United Ways in California, Colorado and North Carolina, of which \$90,000 was donated by employees.



EMPLOYEE VOLUNTEERISM

Our community development initiatives are supported by our employees' high level of engagement. Our employees may volunteer at the nonprofit organization of their choice, and we also have employees who serve as board members or committee members of local nonprofit organizations. We proudly offer 16 hours of paid time off each year for employees to perform volunteer services. In 2021, employees volunteered 591 hours supporting the delivery of financial education in partnership with community-based organizations, including Junior Achievement.

Dear JA Supporter,

Thank you for supporting JA. JA has taught me skills such as budgeting, investing, and interview skills so I can be ready for the real world. Because of supporters like you, JA can continue teaching life skills to others like me.

Thank you!
Sincerely,

Dear JA supporter,

Thank you for supporting JA! This camp has taught me a lot about how to obtain a job to the best of my ability and how to budget and invest as I grow up. I'm more confident in my ability to apply for a job and know I have an even better chance than before with this new information.

Thank you!

COMMUNITY DEVELOPMENT AWARDS

In June 2021, the Jewish Vocational Services awarded the Bank with the Corporate Partnership Award to recognize its support of BankWork\$®, a job training program for low-income individuals looking for a career in banking. Since 2015, the Bank has hired 23 graduates from this program.

PWB IN THE COMMUNITY

“Pacific Western Bank’s support provides vital resources for building and maturing the capacity and dreams of many minority and women business owners so they can more effectively compete and grow their businesses.”

NATIONAL INSTITUTE FOR MINORITY ECONOMIC DEVELOPMENT
DURHAM, NC

CORPORATE GOVERNANCE, ETHICS AND RISK MANAGEMENT

As a financial institution, maintaining strong corporate governance is a critical element to the future of PWB and to the future of those we serve. We believe that sound corporate governance, risk mitigation and security practices are vital to operating as an ethical and socially responsible business. Our corporate governance standards help ensure compliance with laws and regulations, and we proactively address potential sources of risk to help prevent issues. We work diligently to mitigate risk in order to continually earn the trust and confidence of our customers, vendors, regulators and shareholders. Our Legal, Risk Management and Compliance teams promote a culture of compliance by serving as partners to our business colleagues and by engaging with our regulatory agencies. You can review our Corporate Governance Guidelines, Code of Business Conduct and Ethics and the CNG Committee’s charter on our website.

CUSTOMER COMPLAINT OVERSIGHT

Customer complaints are a valuable source of feedback into our business practices. Our process to manage and track customer complaints provides detailed reporting that allows us to identify trends and potential concerns and take appropriate action. We work to proactively address any related potential or actual regulatory findings to prevent their recurrence and to manage and mitigate our legal, reputational and compliance risk.

EMPLOYEE TRAINING

Employee training is a critical component of our corporate compliance and governance initiatives to ensure our employees understand internal policies and regulatory guidance specific to their roles and responsibilities. In 2021, our 2,218 employees completed 61,956 training courses, with 97% of employees completing diversity training. All new hires are required to complete a series of online training courses and attestations within their first 90 days of employment.



ETHICS AND WHISTLEBLOWER COMPLAINTS

Our Code of Business Conduct and Ethics (the “Code”) sets forth specific standards of conduct that we expect all of our employees to follow so that the Bank conducts its business in accordance with the highest ethical standards of the financial industry and complies with all laws regulating the conduct of the Bank and its employees. Our Code covers conflicts of interest, including gifts, confidentiality, fair dealing, and compliance with laws and regulations, including insider trading. Aligning with our commitment to integrity, any employee who becomes aware of any existing or potential violation of laws, rules, regulations, or our Code is required to notify a member of the Conduct and Ethics Committee or report such existing or potential violation anonymously via a website or toll-free telephone reporting hotline maintained by a third-party vendor. It is important to us that employees have confidential methods to report existing or potential violations without concern of retaliation.

ANTI-MONEY LAUNDERING

We maintain robust policies and procedures to comply with applicable United States anti-money laundering (AML) and anti-terrorism requirements, including those set forth in the Bank Secrecy Act and those published by the Office of Foreign Assets Control. Our AML programs are designed to ensure that our clients, the Bank, the U.S. financial system and our country are protected from illicit actors who exploit banking services with malicious and criminal intent.

PROTECTING CUSTOMERS' PRIVACY AND FIGHTING FRAUD

Pacific Western Bank understands that confidentiality is key when it comes to personal information. As such, we have implemented administrative, technical and physical safeguards to protect our customer's personal information. For administrative safeguards, Pacific Western Bank maintains a broad range of policies and procedures that address information security for our people, processes and technologies at the Bank. We also require training programs for all employees to ensure effective controls are in place throughout the Bank. We have also implemented industry-standard technical safeguards to protect sensitive information and assets. We continue to revise and update our information and cyber security program to meet the needs of our customers and protect their data. Further, Pacific Western Bank has appropriate safeguards to protect against physical infiltration of assets and information, such as lock and key policies, physical barriers, security guards, and surveillance and monitoring.

Pacific Western Bank is a state-chartered bank with a national presence regulated by various state-wide and national regulatory laws. Because of this, we are subject to annual examinations of our information security and technology processes and independent and internal assessments to evaluate the adequacy of our information security protections. Our vendors are also routinely monitored for their compliance with our established service-level agreements and information security practices. Through these measures and those described above, we help ensure that customer and Bank information remains accurate and complete and not susceptible to unauthorized alterations.



We consider a properly staffed, professionally-trained and experienced security team a cornerstone of our security program and essential to ensuring that our customers' personal information is readily available to our customers and their authorized personnel only. To that end, we have adopted appropriate policies and procedures to ensure that authorized users only have access to customer information on a need-to-know basis. These policies help prevent any unnecessary exposure of sensitive data to those that do not have a business need to possess it.

Pacific Western Bank recognizes that cyber threats are real, dynamic, sophisticated and broad. We continue to conduct regular exercises of our Incident Response Program to ensure we are prepared to detect, respond and contain any cyber threats that we may face. Our Information Security Department is staffed with highly qualified professionals who work closely with our IT department and other departments to ensure the Bank's readiness to defend our information assets.

To effectively evaluate the quality of our information security program at the Bank, we have developed several Key Performance Indicators (KPIs). These KPIs are visible to key executives and staff members on a regular basis to reinforce the quality of our controls and processes for the Bank. Some key takeaways of our KPIs and metrics are:

- Bank employees are tested every six weeks using simulated email phishing tests, and our employee failure rate is substantially lower than industry averages (1% versus 10%).
- Our vulnerability and patch management program continues to gain efficiencies and reduce the average time to patch our systems from over 90 days to under 30 days and is consistent with best practices in our industry.
- Our Information Security team’s mean time to detect and escalate security events affecting the Bank decreased to less than one day through regular training and workshops. This is considered above average for an institution of our size, and we will continue to improve this metric through continued incident response training.

EMERGENCY PREPAREDNESS

PWB maintains a well-developed Business Continuity and Disaster Recovery program, including business resumption and disaster recovery capabilities. Our recovery plans include both disaster recovery and business unit continuity plans that are tested regularly. These plans encompass life safety, technological recovery, processing recovery, incident management and crisis communication. Our plans are designed to respond to a number of event categories, including weather, technology disruptions, facility-specific events, staffing events (including pandemics) and civil unrest.



RISK MANAGEMENT STRATEGY

We believe that effective risk management is of primary importance to the success of our Bank. Our business exposes us to various risks, including credit, interest rate and price, liquidity, operations, information technology, compliance, strategic, reputation, legal, human resources and capital. As a result, under the direction of the Board of Directors (the “Board”), management has established a comprehensive enterprise-wide risk management process that monitors, measures, evaluates and manages these core risks. We established the Enterprise Risk Management function to provide and support an integrated risk management program and system that allows management and the Board to understand and manage the key risks to the organization. The Chief Risk Officer directs the key risk areas staffed with risk professionals certified in their areas of expertise. Additionally, we maintain an independent audit function with the Chief Audit Executive reporting directly to the Board and a co-sourced credit review function that reports to the Board’s Risk Committee.

Under the Bank’s governance structure and applicable law, the Board is ultimately responsible for overseeing the Bank’s risk management processes, which include effective challenge of management’s strategic decisions and initiatives. The Bank has adopted the three lines of defense risk management model, and the Board has delegated certain oversight responsibilities to its committees. The Board’s risk management oversight is managed through the responsibilities of the following Board standing committees: (i) the Risk Committee, (ii) the Asset/Liability Management Committee, (iii) the Audit Committee and (iv) the Compensation, Nominating and Governance

Committee. Each of these committees is responsible for monitoring risks within their areas of responsibility as well as Bank-wide risks. Each committee reports to the Board and is responsible for ensuring that overall risk awareness and risk management are appropriate. Our risk appetite statement establishes the Bank's risk appetite and tolerance for each of our core risk pillars and details the policies and procedures for assessing, measuring, and controlling these risks. Management has identified several key risk and performance indicators that are tracked quarterly and reported to the Board through a quarterly risk dashboard. Annual risk assessments are performed in all core areas of operations to assess the quantity of inherent risk, the adequacy of controls and resultant residual risk. We have developed operational process maps for each key operations function, and we've mapped all key and Sarbanes-Oxley controls to these processes.

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

BOARD OF DIRECTORS OF PWB

At the end of 2021, our Board consisted of 12 directors, of which 11 directors were independent. Our Board members bring a well-rounded variety of experiences, qualifications, skills, tenures and diversity.

BOARD DIVERSITY MATRIX AS OF MARCH 30, 2022

TOTAL NUMBER OF DIRECTORS: 12

	FEMALE	MALE
GENDER IDENTITY	3	9
DEMOGRAPHIC BACKGROUND		
AFRICAN AMERICAN OR BLACK	1	—
WHITE	2	9
LGBTQ+	1	—

BOARD OF DIRECTOR GOVERNANCE PRACTICES

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

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

BOARD REFRESHMENT AND DIVERSITY

Our directors' diverse backgrounds help support the long-term strength and success of PWB by providing the mix of skills, experiences and perspectives necessary to guide the Bank's strategies and monitor their execution. At the end of 2021, the Board included 12 members with three female directors and two under-represented communities directors. In recent years, we have strategically added directors to balance new perspectives and expertise with the existing depth of institutional knowledge and experience. In 2021, two new directors were nominated to serve on the Board, reflecting the Company's continued commitment to refreshment of the board.

BOARD EVALUATIONS AND SELF-ASSESSMENTS

The Board conducts an annual evaluation of the Board's performance and effectiveness at the Board, committee, and individual director levels. The evaluation and self-assessments are designed to encourage open and candid feedback on both the effectiveness of the Board as a whole, as well as the effectiveness of each of its members. The scope of the evaluation includes components of Board governance, such as Board size, meeting frequency, quality and timing of information provided to the Board, director communication, director experience, qualifications and skills, director independence, and Board strategy. Similarly, the scope includes components of committee governance, such as committee size, composition, performance, and coordination among committee members and among the standing committees. The results of the Board evaluation are discussed with the full Board, and the results of each committee evaluation are discussed with such committee as well as with the CNG Committee.



ENVIRONMENTAL SUSTAINABILITY

Environmental stewardship drives our efforts to implement solutions that reduce our environmental impact while protecting our stakeholders. While our business model as a financial institution does not include production or distribution, we still examine ways to reduce waste, promote recycling, conserve energy and educate our employees about the benefits of environmental sustainability. Our main focus areas are the following.

PWB IN THE COMMUNITY

“With your partnership, DSF continues to strengthen the prosperity of students and families today and for generations to come.”

DENVER SCHOLARSHIP FOUNDATION
DENVER, CO

PHYSICAL FOOTPRINT

We will continue to act as responsible stewards of our physical footprint. PWB operates in several states and has 71 branch locations, which is fewer than most of our peers of similar size. One area that impacts the environment the most is our physical footprint and its impact. We have a dedicated property management team that researches and reviews opportunities for space efficiency, energy efficiency and construction and renovation standards. We have 15 locations within LEED-certified buildings, with three of those sites housing 25 or more Bank staff. We continually encourage our customers to utilize online banking tools and applications to reduce paper usage and the printing of paper statements. Our push towards digital banking has contributed to lower traffic in our branches, allowing us to permanently close four branch locations in 2020 and one branch location in 2021. We will continue to evaluate our physical locations and the environmental impact of our physical footprint.

GREEN COMMUTING

Our employees have a range of options that allow them to reduce the environmental impact of their daily commute through public transportation, walking and biking or working remotely from home. We have increased the use of video conferencing and technology to allow web-based meetings. We reward employees who use public transportation (bus, train, vanpool, etc.) to commute to work by offering reimbursement up to the IRS limit. In 2021, approximately 10% of our employees participated in our commuter benefits program, up from 8% in 2020.

PAPER USAGE

We recycle and shred and have increased our use of digital technologies. We provide centralized recycling bins for paper, plastic, aluminum cans, and empty printer ink cartridges in our offices. In 2021, we recycled over 281 tons of paper through our company-wide secure shredding and recycling program. These efforts saved the equivalent of 4,708 trees and over 1,403 cubic yards of landfill space. Keeping our customers' personal information safe is a top priority, and our paper shred vendors ensure 100% of shredded material is safely and securely recycled.

EMBRACING TECHNOLOGY

Technology is a significant resource for reducing our paper use and commute impact. We encourage customers to adopt online banking and paperless statements through our product design. At the end of 2021, approximately 83,800 customer accounts, or 57%, were receiving electronic statements. We intend to further reduce our reliance on paper-intensive processes through solutions like digital signatures. We have company-wide solutions for mobile device access and laptop workstations to accommodate employees to work remotely and perform tasks on the go. Our investments in web and video conferencing also reduce our corporate travel.

PWB IN THE COMMUNITY

“Thank you so much for your continuing, generous support. Your community reinvestment helps improve and change the lives of our neighbors in need. Community partners like Pacific Western Bank make possible CRC's work to ensure that all people have equitable access to healthy food, stable housing and safe relationships.”

COMMUNITY RESOURCE CENTER
ENCINITAS, CA

GREEN INVESTING AND LENDING







In December 2021, Forbight Bank, headquartered in Chevy Chase, Maryland, issued a \$125 million green bond of which Pacific Western Bank purchased \$10 million. Forbight Bank plans to allocate an amount equal to the

proceeds of the bond to finance solar power and energy efficiency projects within twelve months and report at least annually on the use of the proceeds. This investment aligns with U.N. Sustainable Development Goal #7 – Affordable and Clean Energy.

Also, in December 2021, the Bank made two new lending commitments, totaling \$124 million, to construct a 106-megawatt solar energy facility and a 70-megawatt solar facility, both located in Georgia. These lending commitments align with U.N. Sustainable Development Goal #7 – Affordable and Clean Energy.

As part of our Banking on the Future initiative, the Bank has several clients that support and promote environmental sustainability as a key pillar of their business strategies. Environmentally-focused Bank clients include operating companies and venture capital firms that invest in sustainable companies.

Longstanding clients include:

 <p>SJF Ventures invests in high-growth companies creating a healthier, smarter and cleaner future.</p> <p>U.N. SUSTAINABLE DEVELOPMENT GOAL #3 Good Health and Well-Being U.N. SUSTAINABLE DEVELOPMENT GOAL #4 Quality Education U.N. SUSTAINABLE DEVELOPMENT GOAL #7 Affordable and Clean Energy U.N. SUSTAINABLE DEVELOPMENT GOAL #8 Decent Work and Economic Growth U.N. SUSTAINABLE DEVELOPMENT GOAL #12 Responsible Consumption and Production</p> <p>sjfventures.com</p>	 <p>SustainVC backs entrepreneurs that share a vision of a sustainable, more equitable, and healthier world.</p> <p>U.N. SUSTAINABLE DEVELOPMENT GOAL #13 Climate Action</p> <p>sustainvc.com</p>	 <p>Arborview Capital partners with high-quality management teams building a more environmentally sound, resource-efficient future.</p> <p>U.N. SUSTAINABLE DEVELOPMENT GOAL #7 Affordable and Clean Energy U.N. SUSTAINABLE DEVELOPMENT GOAL #12 Responsible Consumption and Production</p> <p>arborviewcapital.com</p>
 <p>New Summit Investments develops and runs multi-manager private market impact investment products. They efficiently open access and channel capital to investments targeting positive social and environmental outcomes while seeking competitive financial returns.</p> <p>U.N. SUSTAINABLE DEVELOPMENT GOAL #7 Affordable and Clean Energy</p> <p>newsummitinvestments.com</p>	 <p>Reduce Reuse Grow has been a client for the past five years. Shortly after graduating college, owner Alex Henige obtained a Small Business Credit Line to support the building and growth of his environmental restoration company. A key program of the business, Restoration Print™, plants a plant for each direct mail unit sent.</p> <p>U.N. SUSTAINABLE DEVELOPMENT GOAL #15 Life on Land</p> <p>reducereusegrow.org</p>	 <p>For over 35 years, LA Conservation Corps has provided transformational experiences to tens of thousands of youth and young adults in the form of paid, environmentally-focused job training, educational opportunities, and support services to remove any barriers to their success as well as innovative after-school programming to thousands of LAUSD students.</p> <p>U.N. SUSTAINABLE DEVELOPMENT GOAL #8 Decent Work and Economic Growth</p> <p>lacorps.org</p>

FORWARD-LOOKING STATEMENTS

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

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

For more information about factors that could cause actual results to differ materially from expectations, please refer to our reports filed with the Securities and Exchange Commission ("SEC"), including the discussion under "Forward-Looking Information" and "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC and available on its website at www.sec.gov.

SECURITIES AND EXCHANGE COMMISSION FILINGS

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

NON-GAAP MEASUREMENTS

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

APPENDIX

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

SASB MAPPING

pacwest.com/SASB-2021

This report is our first disclosure in accordance with the Sustainability Accounting Standards Board (SASB). Our goal in providing this SASB Index is to enable relevant comparisons of our ESG performance with peer companies. We are using SASB's Commercial Bank Standards, Version 2018-10, which are most applicable to our core operations. SASB focuses on this connection between businesses and investors, on the financial impacts of sustainability and, specifically, on how sustainability issues can create or erode enterprise value. Unless otherwise specified, the data and descriptions are current as of year-end 2021.

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

GRI MAPPING

pacwest.com/GRI-2021

GRI defines sustainability reporting as the practice of companies disclosing the most significant economic, environmental and social impacts that arise from their corporate activities, and thereby being held accountable for these impacts and responsible for managing them. The GRI Standards offer organizations a global common language for communicating their impacts on people and the planet in a comprehensive and consistent way – one that responds to the needs of all stakeholders and enables any company to be transparent about how it contributes to sustainable development. This report is our first disclosure in accordance with the GRI Standards. Our goal in providing this GRI Index is to enable relevant comparisons of our ESG performance with peer companies.