



CADENCE
Bank



2021
Environmental, Social
& Governance Report



Letter from Chairman & CEO

Throughout 2021, our company was able to navigate the headwinds facing the banking industry and the continued impacts of the COVID-19 pandemic to deliver long-term value for our stakeholders. This annual Environmental, Social and Governance (ESG) Report highlights our ongoing commitment to our teammates, customers, communities and shareholders.

Some of the topics in this report include:

- Our teammates' support of our communities through volunteering and providing financial education,
- Our investments in new technologies to enhance the customer experience,
- Our commitment to cultivating a diverse and inclusive workplace where everyone respects others and values different ideas and viewpoints,
- Our efforts to develop training and other resources for our teammates to improve their skills, and
- Our dedication to meeting the financial needs of families and small businesses in the communities we serve.

This report provides a deeper view into how we are taking steps to sustain our company well into the future. Thank you for taking the time to review our progress and for your continued trust in Cadence.

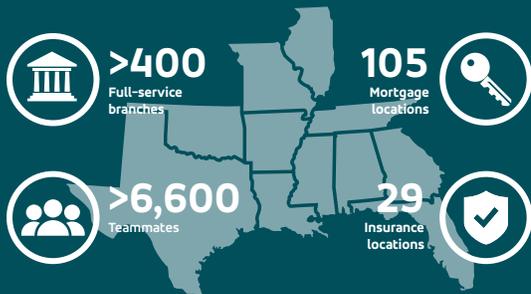


James D. "Dan" Rollins III
Cadence Bank, Chairman and CEO



About Cadence Bank

Cadence Bank (NYSE: CADE) is a leading regional banking franchise with approximately \$50 billion in assets and more than 400 branch locations across the South, Midwest and Texas. Cadence provides consumers, businesses and corporations with a full range of innovative banking and financial solutions. Cadence is committed to a culture of respect, diversity and inclusion in both its workplace and communities.



Cadence Environmental, Social & Governance Framework

Cadence’s integrated Environmental, Social and Governance (ESG) framework is built around our mission to provide relationship-focused financial services in a manner that: exceeds the expectations of our customers, supports the betterment of our communities, instills pride and passion in our teammates, and delivers value to our shareholders.

Table of Contents

| | | |
|---|-----------------------------------|-----|
| 01 | Social Capital | |
|  | Community Engagement & Investment | 5-6 |
| | Community Impact | 6-7 |
| | Recent Accolades | 7 |
| | Customer Satisfaction & Retention | 8 |

| | | |
|---|--|-------|
| 02 | Human Capital | |
|  | Diversity & Workforce Demographics | 10-11 |
| | Code of Business Conduct & Ethics | 12 |
| | Professional Development Programs & Training | 13 |
| | Employee Benefits & Support | 14 |

| | | |
|---|------------------------------|-------|
| 03 | Sustainability | |
|  | Lending | 16-17 |
| | Renewable Energy | 17 |
| | Operations & Risk Management | 18 |
| | Financial Wellness | 19 |
| | Information Security Risk | 20 |

| | | |
|---|-----------------------------|----|
| 04 | Corporate Governance | |
|  | Board Oversight | 22 |
| | Shareholder Rights | 23 |
| | Vendor Relationships | 24 |

| | | |
|---|--|----|
| 05 | Environment | |
|  | Energy Upgrades of Facilities | 26 |
| | Paper Consumption & Recycling | 26 |
| | Technology | 27 |
| | Digital Banking | 28 |
| | Managing Exposure to Investments Subject to Environmental Risk | 28 |

| | | |
|---|--------------------------|----|
| 06 | COVID-19 Response | |
|  | Preparation & Response | 30 |

| | | |
|---|------------------------|----|
| 07 | Disaster Relief | |
|  | Emergency Response | 32 |



**Social
Capital**



Community Engagement & Investment

The communities in which we operate serve as the foundation for our continued success.

We recognize that community partnership extends beyond traditional products and services; it focuses on the types of engagement and investment that result in meaningful advancement for the community as a whole. In 2021, we partnered with the Federal Home Loan Bank to award grants under the Home Equity Leverage Partnership, Special Needs Assistance Program and Partnership Grants to underserved communities. We secured and provided funding of approximately \$3.4 million related to eligible grants and contributions under the Community Reinvestment Act (CRA). Other investments eligible under the CRA included a total of more than \$700 million in CRA-qualified investments, including municipal bonds, agency mortgage-backed securities, tax-credit investments and equity investments. Our tax-credit investment program includes investments in Low Income Housing Tax Credits and New Market Tax Credits throughout our communities, and we were excited to be awarded \$50 million in New Market Tax Credit allocation during 2021 that will spur investments in economic growth in low-income urban and rural communities.



During 2021, Cadence Bank, BXS Insurance and Cadence Bank Foundation contributed approximately \$5.7 million to charitable organizations across our footprint.

Our company distributes funds from the Cadence Bank Foundation (Foundation) to 501(c)(3) organizations to support its communities, with a particular focus on community-based organizations providing support to low- and moderate-income individuals. During 2021, Cadence Bank, BXS Insurance and Cadence Bank Foundation contributed approximately \$5.7 million to charitable organizations across our footprint. In addition, we sponsored

organizations that support historically marginalized groups, including the Asian Chamber of Commerce of Houston, Houston Hispanic Chamber of Commerce, Greater Houston LGBT Chamber of Commerce, United States Veterans Chamber of Commerce, OUT Georgia Business Alliance, and National Association of Real Estate Brokers, among others.

At Cadence, we recognize the importance of listening to our community stakeholders to best understand their needs, and we encourage this dialogue through participation in our Corporate Community Advisory Council, Community Development Entity Advisory Board, Community Reinvestment Act Advisory Board and our local Community Advisory Councils, all made up of leaders in the communities we serve. These partnerships provide important guidance and feedback to support our corporate community development initiatives. Our local Community Advisory Councils provide an opportunity to gain a common understanding of the needs related to low- to moderate-income families and communities as well as small businesses in low- to moderate-income census tracts and how we can best support their needs.

We understand the role that strategic investments play in our ability to be a strong financial partner and help drive economic prosperity in the communities we serve. During 2021, we added six new HOPE Inside locations and committed nearly \$1.5 million to Operation HOPE for financial literacy programs. HOPE Inside serves adults, youth, disaster survivors and its partners' employees with



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financial dignity programming and coaching to equip them with the knowledge and tools to create a secure future. Cadence also entered into a strategic business alliance with Houston-based Unity National Bank, bringing growth capital to the organization and strengthening its ability to make commercial loans and deliver banking and financial solutions to businesses, individuals and families in minority and underserved communities in Greater Houston and Atlanta. In addition, we contributed \$1.5 million to Westside Future Fund’s affordable housing initiative to accelerate community stabilization and the delivery of quality, permanently affordable housing through down payment assistance, homebuyer education, community outreach and capacity building. We increased our presence in Birmingham, Alabama with the opening of a branch in Southwest Birmingham to support the financial needs of two historically significant



During 2021, we added six new HOPE Inside locations and committed nearly \$1.5 million to Operation HOPE for financial literacy programs.

communities – Titusville and West End. The full-service branch provides residential and commercial loans as well as retail and business banking services strategically designed to meet the financial needs of the local community. Finally, we launched a supplier diversity portal to build on the company’s continuous commitment to utilize diverse businesses, including women, minority, LGBTQ+ and veteran-owned enterprises, in the procurement of goods, services and contracts as part of our supplier diversity business strategy.

Community Impact

We encourage our teammates to participate in the communities in which we are located.

Being a responsible business partner to the communities we serve is an integral component to our success and that of the customers, clients, shareholders and communities we serve across our footprint. This includes support for local arts as well as charitable and educational programs. In spite of continued challenges related to the COVID-19 pandemic during 2021, we were able to preserve many of our volunteer efforts, including approximately 19,800 service hours from our teammates. More than 1,270 of our teammates participated in the United Way Employee Campaign last year, contributing over \$420,000 to support non-profit organizations that foster academic success, family stability, and health and wellness.



Teammates at our Woodway, TX Branch collected canned goods and other non-perishable food items in support of the Food for Families Food Drive.

Corporate social responsibility is embedded in our values and is an essential component of how we conduct business, develop products and services, and accomplish our goals and

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commitments. We strive to support the economic health of our communities by financing affordable housing and small businesses in low- to moderate-income neighborhoods. At Cadence, we believe in multifaceted solutions to assist and educate our customers and community stakeholders with respect to their financial welfare. Our educational products and programs include: Get Smart About Credit, Budget Smart® Checking, America Saves and the Volunteer Income Tax Assistance Program (VITA). Our Budget Smart® Checking

offering is officially certified by the National Cities for Financial Empowerment Fund (CFE Fund) as meeting the Bank On National Account Standards, which designate both core and strongly recommended features that ensure low cost, high functionality and consumer safety. For VITA, our volunteers have contributed more than 2,000 hours per year for each of the last five years. During 2021, we assisted in the preparation of 785 federal and 445 state income tax returns, at no cost, for families and individuals in our communities.

**VITA Tax
2021**

- We've volunteered *more than 2,000 hours per year for each of the last five years*
- In 2021, we prepared *more than 785 Federal and 445 State income tax returns*, at no cost to our communities

Recent Accolades

Cadence is recognized as an industry leader in many aspects of our business, and we are most proud of the awards that reflect the inclusive culture of our workforce and customers. Recent national or global awards include:



FORBES 2021
WORLD'S BEST BANKS
TWO YEARS IN A ROW



2021 AMERICA SAVES
DESIGNATION OF SAVINGS EXCELLENCE FOR PROMOTING SAVINGS, REPRESENTING THE SEVENTH CONSECUTIVE YEAR



BUSINESS INSURANCE MAGAZINE 2021
BEST PLACES TO WORK IN INSURANCE (BXS INSURANCE)



FORBES 2021
FORBES BEST IN-STATE BANKS FOR TENNESSEE AND TEXAS
TWO YEARS IN A ROW



Customer Satisfaction & Retention

With our origin dating back more than 140 years, we understand the importance of customer satisfaction and retention as a hallmark of our longstanding success.

As such, our investments in people, products and services are paramount to the customer experience. We are committed to providing customers with many options to conduct their banking on their own time and away from the physical branch. In 2021, we continued to invest in our online and mobile banking platforms for both business and consumer applications. These improved digital experiences provided new features and benefits, such as enhanced applications, smarter tools and an overall better customer experience. With these enhancements, customers stay connected to their finances more than ever before. We also utilized digital signatures for many interactions with customers and provided online tools and resources for safe banking, money management and family finances. We continued to invest in our online account opening process so accounts may be opened more quickly and easily, and we extended our partnership with an industry-leading platform that allows customers to easily send money to friends, family and others they trust.



Other advancements in our technology include remote deposit capture and deposits at many ATMs to offer alternative solutions to visiting a branch. Moreover, we added 46 interactive teller machines (ITMs), expanding our fleet to 60 strategically located ITMs as of year-end 2021. The ITMs combine innovative technology with the service and expertise of an in-person bank visit, connecting customers with a live teller for personalized support and more flexible hours. We hired additional remote tellers to support customers via the new machines, and the adoption

of an expected wait time feature for customers, as well as the ability to make deposits after ITM business hours, improved the overall customer experience.

We expanded the role of our Digital Client Advisors to support customer engagement with new products, managing 8,100 inbound calls and completing 15,450 calls to new customers within two weeks after account openings. Our ongoing efforts to support our diversified customer base are evidenced by dedicated Spanish-speaking customer support representatives in our call center and the bank's established Limited English Proficiency (LEP) initiative.



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Cadence launched this initiative to assess its capabilities and develop staff and resources to reach customers with LEP. We now provide our team and community partners with bilingual generic educational and promotional materials and a homebuyer education presentation for our community outreach and education activities.



Human
Capital



Diversity & Workforce Demographics

Our commitment to developing an inclusive culture led us to continue our partnership with the CEO Action For Diversity and Inclusion™, the largest CEO-driven business commitment to advance diversity and inclusion within the workplace.

Our efforts around building a more inclusive workplace culture are guided by our Diversity, Equity and Inclusion (DEI) strategy and dedicated resources headed by our Chief Diversity Officer. Cadence has a Corporate DEI Council (the Council) composed of a diverse cross-section of teammates across all levels of the organization. The Council serves as a powerful network of champions committed to building an inclusive workplace culture at Cadence. Recognizing that bias can significantly negatively impact teammates' sense of inclusion and belonging, our company has invested in educating our teammates on unconscious bias in the workplace and other related topics. Our commitment to DEI starts with our senior management and board of directors.

We are committed to fostering, cultivating and preserving a culture of DEI as a growth strategy for our company and as a celebration of the uniqueness of our teammates' professional talents and individual experiences. As part of this celebration, we launched a "Lift Every Voice" series, which gives teammates the opportunity to share their personal stories and lived experiences as a way to foster community and create a sense of belonging for all teammates. In addition, we introduced "Courageous Conversations" to promote open dialog around tough conversations, helping teammates better understand diverse perspectives and inspiring allyship. Cadence also provided a new holiday during 2021 in recognition of Juneteenth and other important cultural events.

All teammates are expected to create a collaborative and inclusive environment that encourages teammate engagement and establishes our company as a diverse and productive member of the communities we serve. This means we do not differentiate in how we serve customers, their needs, the products we offer, or the people we recruit, hire, retain or promote based upon any protected status, including gender, race, religion, veteran status, sexual orientation, gender identity, socio-economic status, political affiliation, ethnic origin or disability. This also applies to our third-party vendor relationships with which our company does business. We are committed to our DEI strategy for vendor and supplier procurement, and we hired a dedicated Supplier Diversity Manager to further develop these important initiatives. We further implemented a DEI dashboard to monitor and track key metrics for supplier diversity and representation, and to guide program development.

Our mission is to have our company be a reflection of the communities and the people it serves. We believe our teammates are our most valuable asset. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation of thought, self-expression, workforce engagement, unique capabilities and talent that our teammates invest in their work represents a significant part of not only our culture, but our reputation and our company's achievements as well. Our DEI efforts provide initiatives and perspectives that promote improved products and services for our customers and increased value for our shareholders.

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SOCIAL CAPITAL



HUMAN CAPITAL



SUSTAINABILITY



CORPORATE GOVERNANCE



ENVIRONMENT



COVID-19 RESPONSE



DISASTER RELIEF

All teammates are expected to exhibit conduct that reflects inclusion during work, at work functions on or off the worksite, and all other company-sponsored and participative events. All teammates must also attend and complete annual diversity awareness training to enhance their knowledge to fulfill this responsibility. We work to build a culture that is diverse, inclusive and free of discrimination or harassment.

Cadence is intentional about having its workforce reflect the diversity of the communities it serves. To that end, we actively recruit prospective teammates from diverse sources, including Historically Black Colleges and Universities (i.e., HBCUs), understanding that a diverse workforce is, among other things, an essential driver of revenue generation and increased shareholder value. In addition, we created a hiring toolkit, providing hiring managers with equitable interview standards to facilitate an interview process that aligns with our intent to be an inclusive organization and to create an equivalent interview experience that mitigates as much bias as possible. Likewise, we added questions pertaining to DEI to our exit interviews in order to measure the impact of our DEI efforts and to gauge employee experience during tenure that is measured by a net performance score.

Cadence recognizes the importance of having its board and management reflect the diversity of its teammates and communities. Under-represented groups (women and minorities) make up 44% and 20% of our continuing directors and executive management team, respectively.



Our mission is to have our company be a reflection of the communities and the people it serves. We believe our teammates are our most valuable asset.



Code of Business Conduct & Ethics

Cadence is committed to the highest standards of ethical and professional conduct. Every decision we make impacts the company, our teammates, the public, our customers, shareholders and the communities we serve.

We strive to make good decisions, do the right thing, and treat all of our customers, potential customers, and co-workers fairly and equitably. Doing the right thing and acting with integrity are essential to our business ethics in serving our customers. We have developed our corporate policies with this in mind and actively monitor adherence to said policies through an annual certification process. We have the highest level of executive oversight for the company's anti-bribery and anti-corruption program. All of our teammates are expected to comply with the U.S. Foreign Corrupt Practices Act, as well as all other anti-bribery and anti-corruption laws whenever and wherever business is conducted on behalf of Cadence. In addition, we strive to maintain a comprehensive anti-money laundering program to identify and report suspicious activity to the appropriate regulatory agencies.

Our Whistleblower and Unethical Conduct Reporting Policy encourages our directors, officers, employees and other interested parties to disclose certain types of suspected wrongdoing that may adversely impact our customers, shareholders, teammates, vendors, investors or the public at large. An independent third party administers our Whistleblower and Unethical Conduct hotline. Also, we have established a review process to evaluate the company's sales and incentive programs regularly, and new products and services are reviewed under the company's risk governance framework with sign-offs from senior leadership of the company.

[Review the Code of Business Conduct & Ethics Policy here.](#)



We strive to make good decisions, do the right thing, and treat all of our customers, potential customers, and co-workers fairly and equitably.



Professional Development Programs & Training

Professional development is a staple of career progression within our company.

As such, we provide educational assistance to help our teammates improve on-the-job proficiency to prepare them for advancement within our Company. Despite the continued impact of COVID-19 during 2021, teammates still logged 2,800+ hours of training and professional development, primarily through internal and external virtual learning platforms. In addition, we have professional development programs that focus on taking care of our customers and preparing our relationship managers and insurance representatives for success. More than 100 teammates nominated by senior leadership completed the Cadence Leadership Development program, a 10-month intensive training program to support leadership effectiveness in three areas: leading yourself (through self-improvement), leading your team and leading the enterprise. BXS Insurance University is another one of our company’s internal programs that focuses on attracting, developing and retaining top talent. We also support our teammates’ desire to further their education by reimbursing their expenses for college tuition or professional courses, banking schools and leadership programs.



Despite the continued impact of COVID-19 during 2021, teammates still logged 2,800+ hours of training and professional development, primarily through internal and external virtual learning platforms.

Equally important as providing professional development opportunities is receiving feedback from our teammates to gauge satisfaction and sentiment throughout the organization. We welcome direct and open feedback and have provided surveys to streamline and consolidate such feedback. Our leadership team is active throughout our footprint.

More than six years ago, Cadence began implementing in-person town hall meetings. The events provide Chairman and CEO Dan Rollins and the leadership team with a forum to connect with teammates across our company’s footprint, provide essential company updates, acknowledge contributions and achievements, receive input on important issues, and address trending questions and concerns. Due to the COVID-19 pandemic in 2020, we transitioned to virtual town hall meetings and complemented the virtual updates with in-person meetings during 2021 to give teammates more opportunities to hear directly from our company’s leaders.



Employee Benefits & Support

Cadence strives to offer competitive compensation and benefits to attract and retain the best people, and we recognize the value of such benefits to our teammates and their families.

We support our teammates by offering a comprehensive and competitive benefits program which includes:

- Medical Insurance
- Dental Insurance
- Vision Insurance
- Group Life Insurance
- Long-Term Disability
- Short-Term Disability
- Health Savings Account Match
- Traditional and Roth 401(k) Plan with Match
- Retirement Plan
- Employee Assistance Program (EAP)
- Service Awards Program
- Free Checking Accounts and Checks
- Safe Deposit Box Discounts
- Seminars, Workshops and Conferences
- Educational Assistance
- Paid Time Off
- Parental Leave

The EAP is a resource designed to provide highly confidential and experienced help for teammates dealing with issues that may negatively affect their lives and the lives of their families. The EAP is a confidential counseling and referral service, free of charge, to help teammates and their families successfully deal with life's challenges. Teammates are encouraged to use this valuable service whenever they have the need.

We encourage our teammates to maintain a work-life balance, and we have several benefits to support our teammates' ability to care for their families. We offer paid parental leave

to assist and support new parents caring for their children along with virtual health visits under our health benefits program. We understand the importance of having convenient and affordable access to healthcare for our teammates. Our health benefits package provides our teammates and their dependents with access to our dedicated Health Center, an onsite employee health care clinic. The Health Center is available for walk-in service or by appointment, which can be made through a user-friendly online portal. Services rendered at the clinic are free of charge for teammates and families who are enrolled in Cadence's traditional Preferred Provider Organization health benefits programs, and teammates who



We encourage our teammates to maintain a work-life balance, and we have several benefits to support our teammates' ability to care for their families.

are not enrolled may access the Health Center at a discounted rate. During 2021, our teammates and their families utilized the Health Center for more than 2,800 visits. We also offered free flu shot clinics in strategic office locations, along with free flu shots at CVS locations, and we provided flexible work schedules and work-from-home accommodation where possible to support teammates' health and welfare. Finally, wellness rooms were developed in select locations to support teammate health, with the goal to expand this feature as new locations are built.



Sustainability



Lending

Cadence strives to be a leader in supporting the financial needs of families and small businesses in the communities we serve, and we recognize the criticality of having access to credit for our community stakeholders.

As an approved lender under the U.S. Small Business Administration, we originated and secured funding for small businesses of \$217 million through SBA 7(a) loans, excluding loans originated under the Paycheck Protection Program (PPP). In addition, we invested \$50,000 in BakerRipley’s Entrepreneur Connection program, offering low- to moderate-income participants intensive small business learning and support services in English and Spanish.

We have made significant investments in the low- to moderate-income and minority communities in which we serve, including an \$8.5 million investment in Liberty Financial Services and a \$2 million investment in Southern Bancorp. Liberty Financial Services is a minority depository institution, and Southern Bancorp is a public benefit corporation. Our investment in the latter is to provide additional capital to support financial services delivery to low- to moderate-income communities throughout the Mid-South Region. We have also invested more than \$300,000 in loan subsidies to enhance the affordability of home mortgage loans for low- to moderate-income borrowers and minority communities.

Cadence invested time and significant capital in Community Development Financial Institutions (CDFIs) to provide funding for loans predominantly in distressed and impoverished regions across our footprint, including a \$5 million capital investment to a new CDFI partner in 2021.

At Cadence, we believe in the power of homeownership, and we strive to be the lender of choice in the communities we serve. We also recognize the value of strategic partnerships that can help advance our initiatives in this regard. During 2021, we partnered with the Houston Community Land Trust to support the housing demand in Houston by facilitating mortgage lending for their Homebuyer Choice Program. We also partnered with the National Association of Minority Mortgage Bankers of America (NAMMBA) to positively impact the housing needs of underserved communities and the development of a more diverse mortgage workforce. Through this partnership, NAMMBA will roll out a comprehensive strategy to engage the bank’s teammates through focused training, new hire programs and leadership development, positioning

them to best support the communities the bank serves.

Cadence approved more than 135 third-party programs offered by state housing authorities, local government agencies and non-profit

organizations throughout the company’s footprint which provide down payment, closing cost and mortgage credit certificate assistance supporting affordable home mortgages and homeownership. For 2021, the company closed 430 loans in excess of \$67 million in home mortgages using many of these programs. Additionally, originations during the year under the company’s Right@Home and Affordable Home Loan Programs totaled 1,541 loans for \$295 million, bringing total originations since inception of these programs to more than



We have made significant investments in the low- to moderate-income and minority communities in which we serve, including an \$8.5 million investment in Liberty Financial Services and a \$2 million investment in Southern Bancorp.

(continued)



7,400 loans with balances in excess of \$1.2 billion. Among the total mortgage loans funded in 2021, the company originated 1,952 loans for \$413 million in low- to-moderate income census tracts, 3,255 loans for \$497 million to borrowers with low- to-moderate income, and 2,730 loans for \$603 million in



majority-minority census tracts.

We developed a 2022-2026 Community Benefits Plan in collaboration with the National Community Reinvestment Coalition (NCRC), building on a longstanding commitment to support traditionally underserved communities, including low- and moderate-income neighborhoods, people of color, and small businesses.

We developed a 2022-2026 Community Benefits Plan in collaboration with the National Community Reinvestment Coalition (NCRC), building on a longstanding commitment to support traditionally underserved communities, including low- and moderate-income neighborhoods, people of color, and small businesses. The \$20.7 billion five-year plan includes provisions for mortgage lending, small business lending, community development lending and investments, philanthropy and service hours in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Missouri, Tennessee and Texas.

Renewable Energy

We expanded our business development activities in 2021 to include a focus on companies engaged in providing sources of renewable energy.

Through our commitment to support environmentally conscious and renewable energy sources, the Renewable Energy Group was officially formed in 2021 as part of the broader Energy Infrastructure Group. Ten new relationships closed, totaling \$220 million in loan commitments. The portfolio is currently weighted toward solar, but the team continues to pursue other venues within the renewable and power sectors. The team is committed to supporting energy transition by financing solar, wind, battery storage and biogas projects in a responsible, thoughtful manner. We are excited about the human and financial capital that is focused on the renewable energy space, and we will continue to search out opportunities that support a cleaner and greener environment.





SOCIAL CAPITAL



HUMAN CAPITAL



SUSTAINABILITY



CORPORATE GOVERNANCE



ENVIRONMENT



COVID-19 RESPONSE



DISASTER RELIEF

Operations & Risk Management

Our ESG governance is managed at the highest levels of the organization, including oversight by our Board of Directors and board-level Risk Management Committee.

We have numerous risk management policies and procedures to guide the appropriate risk management of technology resources, cybersecurity, legal and regulatory risk, and other such risks as may from time to time be material to our company. In addition, we designed initiatives to promote the company's investments in social capital, human capital, sustainability, corporate governance and the environment to limit or mitigate attendant risks.

We are committed to the safety and security of our teammates. Business continuity is vital to our success as an organization. It allows us to plan for and respond to a variety of potential business interruptions. We perform various actions to ensure the required availability while minimizing the risk of loss due to a disruption in services through the operation of a cyclical, process-oriented business continuity planning program. The planning program includes the oversight, governance and program management responsibilities of crucial business processes and the resources required to perform them. The program is designed to manage threats and related impacts associated with a disruption to crucial resources, including people, equipment, facilities, technology and suppliers. In addition, we have a Crisis Management Plan that provides the management structure, key responsibilities, emergency assignments and general procedures to follow during and immediately after an emergency, as well as a Pandemic Preparation and Response Plan that management utilizes to monitor pandemics or epidemics of disease that occur on a worldwide scale and are caused by infectious diseases (see *COVID-19 Response section for more details*).



We are committed to the safety and security of our teammates. Business continuity is vital to our success as an organization.



Financial Wellness

As we stated previously in the Community Impact section of this report, we are committed to providing solutions to assist and educate our customers and community stakeholders with respect to their financial well-being.

Our Budget Smart® Checking product ensures all customers have access to safe, trusted and affordable banking options, enabling them to save, build wealth for their families and improve the quality of life in their communities. This unique account helps individuals spend only the money available in their account. Budget Smart® Checking is officially certified by the National Cities for Financial Empowerment Fund (CFE Fund) as meeting the Bank On National Account Standards, which designate both

Bank On core and strongly recommended features that ensure low cost, high functionality and consumer safety. In addition, Cadence Online Banking offers the Spending tool to all users to assist with creating and managing a budget. Customers can categorize their expenses and easily see where they are spending their money. When combined with the additional online resources for budgeting, spending and saving, it becomes easier for our customers to reduce expenses and improve their financial wellness. We are committed to ongoing communication with our customers through our Advisor Financial E-Newsletter, in which we cover a variety of pertinent topics designed to inform and promote financial awareness. Through our Business Connection Center, we provide an online resource hub that offers articles, calculators and other educational materials for small businesses.



Our financial literacy programs included resources on America Saves, Teach Children to Save, Get Smart About Credit, A Banker in Every Classroom, Elder Abuse Awareness, Homebuyer, Home Improvement, and Small Business.

Also noted in the Community Impact section of this report is our passion for volunteerism. While COVID-19 continued to affect our ability to connect in-person to conduct financial education, our teammates persevered and volunteered over 2,800 hours conducting approximately 1,200 financial education programs and reaching more than 22,600 adults and youth. Our financial literacy programs included resources on America Saves, Teach Children to Save, Get Smart About Credit, A Banker in Every Classroom, Elder Abuse Awareness, Homebuyer, Home Improvement, and Small Business.

Finally, we executed a comprehensive fraud communications strategy to educate teammates and customers about cybersecurity threats and fraud prevention and protection measures.



Information Security Risk

Information security is among the highest priorities in our risk management framework. As such, we maintain a strong system of controls to protect and secure confidential data and information. The Risk Management Committee of the Board of Directors is regularly informed on information security matters. Third-party audits and assessments are routinely conducted on information security in accordance with regulatory guidance and industry standards. In addition, we have implemented compliance and training programs to keep our teammates apprised of best practices regarding information security. Our company has not experienced a known information security breach of its operations.



We maintain a strong system of controls to protect and secure confidential data and information.



Corporate Governance



SOCIAL CAPITAL



HUMAN CAPITAL



SUSTAINABILITY



CORPORATE GOVERNANCE



ENVIRONMENT



COVID-19 RESPONSE



DISASTER RELIEF

Board Oversight

Our Board of Directors is represented by strong leadership with diverse backgrounds and expertise, including an Independent Lead Director with clearly delineated duties and responsibilities.

Our [board members](#) are actively engaged in their appointed roles, with directors attending at least 92% of the aggregate of all board and committee meetings in 2021. Our board provides direction for the organization through the establishment of sound governance policies. Our Director Independence Standards follow the definition of the Federal Deposit Insurance Corporation (FDIC), Securities Exchange Commission (SEC) and New York Stock Exchange (NYSE). Our continuing directors, excluding our Chairman & CEO and Executive Vice Chairman, are considered independent under the NYSE standards (16 out of 18 directors). No director serves on an excess number of outside boards. We are committed to regular board refreshment through our retirement policy, with 50% of our continuing directors having served on the board for six years or less. In addition, we have significant stock ownership guidelines for our directors and executive officers, which require a 12-month holding period post vesting of equity shares. Our directors must abstain from prohibited transactions in our common stock, including

margin accounts, short selling activities, trading derivative securities and engaging in any hedging transactions. There are no material-related-party transactions involving the directors. Our board is also evaluated for effectiveness through annual peer-to-peer assessments of the board, its committees and the Independent Lead Director. Our corporate policy for any director who does not receive an affirmative majority vote in an election year requires the director to tender their resignation from the board and from the board committees on which the director serves.

Our Board provides oversight of executive compensation and maintains a clawback policy for executive compensation for short- and long-term incentives. Our board conducts an annual evaluation of the CEO's performance and discusses the results in an executive session of the independent directors.



Shareholder Rights

We value our shareholders' views; our management team and the board make educated and deliberate decisions that are balanced and appropriate for our diverse shareholder base and in the best interests of our company.

Shareholders have the right to call a special meeting and can take action by written consent to the fullest extent provided under the Mississippi Business Corporation Act. A supermajority vote is not required to approve most amendments to the Articles of Incorporation or Bylaws. Pursuant to the Mississippi Business Corporation Act, our shareholders may amend the Bylaws at any regular or special meeting where a quorum is present. Our Articles require an affirmative vote of 80% of the outstanding stock in only three limited types of amendments to the Articles: to increase the size of the board; to approve any business

combination that the board has not yet approved; and to approve any business combination with a controlling party, under certain conditions. All other amendments to the Articles require only a majority of those votes entitled to be cast at a meeting at which a quorum is present. Our company does not have classes of stock with unequal voting rights or unequal ability to elect directors. Our company does not have a shareholder rights plan.



Vendor Relationships

Management seeks to ensure adequate controls are in place to protect our company and customers from potential risks associated with outside vendor relationships.

At Cadence, we believe the use of a vendor does not diminish management’s responsibility to ensure the activity is conducted safely and soundly and in compliance with applicable laws, regulations and internal policies. Since potential risks may vary with each vendor relationship, management assesses, measures, monitors and controls each vendor relationship’s risks with a tailored risk management approach, including but not limited to, risk assessments, due diligence in selecting vendors, contract analysis and vendor oversight. We review a vendor’s operations periodically to verify it is performing consistently with the terms of the contract identified or resultant risks are being adequately controlled. Any substandard performance is remedied.

As indicated earlier in the Human Capital section of this report, our company-wide focus on diversity and inclusion extends to the vendors in which our company engages. Under the coordination of our Supplier Diversity Manager, these efforts require expanded outreach to vendors that will enhance the diversity of the parties with whom our company deals. Our vendor management program strives to provide minority-owned, women-owned, and veteran-owned businesses access to business opportunities with our company. Our company’s policy is to purchase goods and services from minority-owned, women-owned, veteran-owned and small businesses whenever possible. Our company expects its managers and employees to collectively work together to identify opportunities to further our company’s supplier and vendor diversity efforts, practices and actions that support our corporate strategy.



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Environment



Energy Upgrades of Facilities

Today, 84% of our facilities utilize LED interior and exterior lighting, saving more than 35.9 million kilowatt hours of energy and approximately \$3.6 million in energy cost. Since 2015, we have completed LED interior and exterior lighting retrofits in more than 256, or 83%, of our facilities across our footprint.

These efforts reduced our carbon emissions by approximately 13,844 metric tons of carbon dioxide (CO₂). We also have been using energy-efficient mechanical systems with programmable controls since 2020, which offer additional savings in energy cost. Importantly, our outside design architect and mechanical-electrical engineers are certified in Leadership in Energy and Environmental Design (LEED).



Paper Consumption & Recycling

Our recycling efforts include paper recycling at all of our facilities.

Recycling efforts resulted in 1.75 million pounds, or 874 tons, of paper shredded and recycled, saving an estimated 14,945 trees, 3.5 million kilowatts of energy, 6.1 million gallons of water, 332,295 gallons of oil, and 2,623 cubic yards of saved landfill space. In addition, electronics are recycled according to federal, state and local guidelines, as well as certified R2 and ISO 14001 guidelines. Our annual office supply spend on products that are eco-friendly is 23%, which includes 40% of all paper products. Where available, we actively participate in recycling programs of leased facilities, and we focus on and educate teammates about the proper disposal of expired hardcopy and electronic records.



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Technology

Our company leverages technology to ensure our teammates, customers and shareholders have access to the tools and functionalities necessary to conduct business in an efficient manner while reducing our carbon footprint.

With a strategic focus on paperless processing, we continued our efforts to reduce or eliminate paper documents and to shift to paperless where possible. Our company provides online access to our teammates for internal forms, communications, pay advisements, reports and tax documents. Our utilization of technology allows our customers to make loan payments through our Online Banking platform, in addition to receiving electronic statements for loan and deposit accounts. We processed more than 24,300 loans electronically under the Paycheck Protection Program in the amount of \$1.8 billion since inception of the program in 2020, including more than 9,300 loans totaling \$514 million originated in 2021. We also processed approximately 17,600 mortgage loan applications in 2021, with more than 14,200 of those started online.



We also processed approximately 17,600 mortgage loan applications in 2021, with more than 14,200 (> 80%) of those started online.

In our Commercial Loan Operations, all loan files are imaged to electronic storage. Our shareholders can access our proxy materials by internet in accordance with the “notice and access” e-proxy rules, instead of receiving paper documents through the mail. Our Board of Directors gain access to meeting material through a secured portal for sharing of information instead of the production and mailing of paper documents. Our personnel files have been converted to electronic format, which creates efficiencies and reduction in not only the paper process, but also equipment and space needs.



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Digital Banking

We offer a full slate of digital banking solutions, including online banking and mobile applications, which help to reduce paper usage.

By eliminating the need for customers to travel to banking centers for routine banking needs, these solutions also help to reduce fossil fuel emissions. We continue our efforts to deliver digital banking (online and mobile) solutions that meet customers' preferences for self-service transactions utilizing online, mobile and ATM/ITM channels.



By eliminating the need for customers to travel to banking centers for routine banking needs, these solutions also help to reduce fossil fuel emissions.

Managing Exposure to Investments Subject to Environmental Risk

We are environmentally conscious when it comes to our lending arrangements and have implemented corporate policies and procedures to address such concerns.

Loans involving property where environmental hazards or contamination exist are undesirable except where proper assessment, documentation and ongoing monitoring can be undertaken. If at any point and time there is a potential for environmental contamination to adversely affect the collateral, we hold the right to require the borrower to resolve the environmental condition and take those actions that are reasonably necessary to protect the property and mitigate associated risks. In addition, when we consider extending credit to develop a tract of land where there are floodplain or floodway issues, or other indications that there may be wetlands present where construction may occur, a

wetland opinion letter or wetland delineation report with a check of United States Army Corps of Engineers wetlands records and other public sources may be required. Our desire is to promote development and growth in the communities we serve while preserving environmental integrity and mitigating related risks in our business decisions.



COVID-19 Response



SOCIAL CAPITAL



HUMAN CAPITAL



SUSTAINABILITY



CORPORATE GOVERNANCE



ENVIRONMENT



COVID-19 RESPONSE



DISASTER RELIEF

Preparation & Response

Our Pandemic Preparation and Response Plan and Crisis Management Plan were activated during the COVID-19 pandemic, which began globally in early 2020, and continues to be updated in response to guidance from the Centers of Disease Control and Prevention to account for new variants, including Delta and Omicron.

Our Crisis Management Team, consisting of senior leadership in our company, has been meeting regularly to discuss matters pertinent to COVID-19, develop strategies and action plans to respond to such matters, and communicate to our teammates in a consistent and effective manner. Our primary strategy for minimizing the spread of COVID-19 among our teammates and allowing critical activities to continue included monitoring case activity and responding with remote work-from-home capabilities and flexible work schedules, and instituting quarantine requirements when appropriate. Teammates working onsite were provided with the proper personal protective equipment and were expected to follow specific protocols as provided under the Center for Disease Control (CDC) guidelines. We utilized a graduated approach to our return-to-work plan and to accommodate more in-person meetings with customers with the appropriate safety measures.

Recognizing the ongoing hardships presented by COVID-19, we maintained our strong desire to support our teammates financially. As a result, we had no furloughs or layoffs due to COVID-19 for the second consecutive year. In addition, we engaged third-party support for data collection and tracking of vaccination status, and we continually educated teammates about the benefits of COVID-19 vaccination to support the resiliency of our workforce and teammate health and well-being. We further maintained the highest level of safety and cleanliness for our teammates and customers.

As noted previously, we extended our support of Paycheck Protection Program loan originations during 2021 to support our customers in need through the prolonged pandemic. We assisted customers with debt forgiveness applications for approximately 12,000 loans totaling more than \$1.0 billion. Over just a few months, we also proactively initiated more than 15,000 outbound calls to consumer, small business and corporate customers, connecting them directly with banking relationship professionals who could help them meet their financial needs that may have been placed on hold due to the pandemic.



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Disaster Relief



Emergency Response

The greatest opportunity for teammates to help each other and the communities we serve is in times of need.

In addition to the continued strain our communities have faced due to the COVID-19 pandemic, several areas in our footprint were impacted by storms during 2021, some significantly. The challenges presented an opportunity for Cadence to provide needed resources and support to our teammates and communities in the impacted areas. Resources were mobilized in response to one hurricane and one landfalling tropical system in a short time frame spanning from late August to mid-September

2021. The two systems impacting our footprint included: Hurricane Ida and Tropical Storm Nicholas. With the coordination of our dedicated disaster recovery team, we were able to provide direct support to our frontline representatives to ensure

continuity of service for our customers and communities in impacted areas. Community relief centers were established and provided meals, ice, water, tools, gasoline and fueling stations to support clean-up efforts, and offered fellowship to families in need. Similar efforts were undertaken for other storms that impacted our communities, including the delivery of wireless internet access support to teammates and community members of Dresden, Tennessee following a tornado. Our business service hours were modified and extended through the weekend when needed to offer customers and the community more opportunities to address their insurance and financial needs. We also offered financial relief in the form of fee waivers and loan payment deferrals to impacted customers.



Resources were mobilized in response to one hurricane and one landfalling tropical system in a short time frame spanning from late August to mid-September 2021. The two systems impacting our footprint included: Hurricane Ida and Tropical Storm Nicholas.

We took additional steps to support our teammates by mobilizing facility teams to provide tarping, clean-up and the removal of fallen trees from teammate homes and properties. The work focused on assisting them with establishing safe conditions for the return of the teammates and their families to their homes or to assist them with preventing further damage while the teammates worked with their insurance adjusters to estimate damages. Teammates who requested

assistance with long-term power outages were provided portable generators and fuel as well as portable air conditioning units, fans, water, ice and the use of freezers for food storage. Our teammates stepped up to the plate and supported impacted teammates by contributing to our employee relief fund, which was established several years

ago to assist impacted teammates with immediate needs following a storm. Our teammates also selflessly donated their personal vacation time to teammates impacted by the storms.

Forward Looking Statement:

Certain statements made in this report are not statements of historical fact and constitute “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and are subject to the safe harbor created thereby under the Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “aspire,” “assume,” “believe,” “budget,” “can,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “foresee,” “goal,” “hope,” “indicate,” “intend,” “may,” “might,” “outlook,” “plan,” “project,” “projection,” “predict,” “prospect,” “potential,” “roadmap,” “seek,” “should,” “target,” “will,” and “would,” or the negative versions of those words or other comparable words of a future or forward-looking nature. These forward-looking statements may include, without limitation, discussions regarding general economic, interest rate, real estate market, competitive, employment, and credit market conditions, including the economic impact of COVID-19 and related variants on our business, as well as regarding our assets, business, cash flow, financial condition, liquidity, prospects, results of operations, and the trading price of our capital stock. Forward-looking statements are based upon management’s expectations as well as certain assumptions and estimates made by, and information available to, management at the time such statements were made. Forward-looking statements are not historical facts, are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that are beyond our control and that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, without limitation, factors as detailed from time to time in our press and news releases, reports and other filings we file with the FDIC, including those factors included in our Annual Report on Form 10-K for the year ended December 31, 2021, under the heading “Part I, Item 1A. Risk Factors.” Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date of this report, if one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Accordingly, undue reliance should not be placed on any forward-looking statements. The forward-looking statements speak only as of the date of this report, and we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law. New risks and uncertainties may emerge from time to time, and it is not possible for us to predict their occurrence or how they will affect us. All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this section.



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