

# **Cadence Bancorporation**

## **Statement of Corporate Social Responsibility**

“Do Right” is a founding value of the company. We have always strived to “do right” by our customers, communities, associates, shareholders and environment in our lending practices, banking products, community investments, charitable giving, employment practices, governance and more. This Corporate Social Responsibility Statement describes our “do right” efforts to provide value beyond the numbers and promote sustainable growth.

The Board of Directors recognizes the importance of sustainable growth with respect to the Environment, Social and Governance (ESG) matters. In 2019, the Board amended the Nominating and Corporate Governance Charter to include oversight of the Company’s ESG activities. The Nominating and Corporate Governance Committee established a Sustainability Working Group. This Working Group is charged with establishing the framework for the Company’s Sustainability program and integrating this framework into the Company’s risk management and executive incentive program.

2019 marked a year of tremendous growth with the successful merger of State Bank Financial Corporation. As we grow, our sustainability efforts also grow. Below are highlights of our commitment to “Do Right.”

### **CORPORATE CULTURE**

#### Vision:

To be one of the top performing banks in the nation.

#### Mission:

We will deliver a better banking experience for every client.

#### Values:

- Do Right
- Own It
- Embrace We
- Fresh Thinking Welcome Here

### **DOING RIGHT BY OUR COMMUNITIES**

In 2019, the bank announced a multi-year Community Benefits Plan impacting affordable housing, small businesses, community investment and charitable giving. Cadence received a “Satisfactory” rating for the period running January 2015 through December 2018.

#### Affordable Housing

- A multi-year goal of more than \$1 billion dollars in residential mortgage loans to traditionally underserved persons and communities across our footprint.
- The establishment of a CRA Advisory Committee to work with community stakeholders to review mortgage loan products.
- Cadence loaned more than \$29 million to first-time homebuyers by making 166 loans to first-time homebuyers. (Federal Housing Finance Agency Community Support Statement dated August 14, 2019.)

#### Small Businesses

- In 2017, Cadence introduced a “Quick Decision” small business loan targeted to businesses with annual revenues of less than \$1 million.
- “Quick Decision” loans offer a streamlined application documentation and approval processes.
- The newly created CRA Advisory Committee will review and provide feedback on our small business loan products.

#### Community Development

- A multi-year community development loan and investment commitment of more than \$700 million.
- This commitment is our affirmative intention to reinvest in our communities through support of activities to increase the availability of affordable housing, services and economic opportunity for low- and moderate-income persons or to help stabilize and improve conditions in distressed communities in our footprint.

#### SBA Lending

- Cadence is an SBA Preferred Lender offering SBA loans from \$250,000 to \$5,000,000 to both real estate and commercial entities for acquisition, refinance, construction and expansion, or buy-out for commercial loans. As part of the merger with State Bank & Trust Company, Cadence acquired this line of business offering an efficient loan process.
- Cadence ranks 48th in the nation for SBA 7(a) loan production measured in dollars and 26th in the nation measured by number of loans.
- Cadence ranks 3rd in Georgia by the number of loans and 5th in terms of dollar volume.
- Overall, we are in the top 3% nationwide for SBA lending.

#### Charitable Giving

- Cadence associates contributed more than 9,000 volunteer hours in 2019 to support various non-profits including child and youth services, schools, religious organizations, and animal shelters through our Cadence Cares program.
- A significant portion of these volunteer hours is devoted to financial literacy programs for youth, elderly and low-income persons.
- We participate in Junior Achievement and the FDIC’s Money Smart program.

- We have actively contributed to charitable organizations since the inception of our organization and plan to continue to do so.
- We participate in United Way programs in Birmingham, Houston and Mississippi, raising significant funding for the organization, and are a leader in our markets.
- When disaster hits, we are there for our associates. When Hurricane Harvey devastated Houston, Cadence created an associate-led relief fund through the Greater Houston Community Foundation, providing immediate assistance to fellow associates in need.

## **DOING RIGHT BY OUR CUSTOMERS WITH RESPONSIVE AND INNOVATIVE BANKING PRODUCTS**

- Offers Cadence eChecking at a low cost per month.
- Cadence eChecking is approved by the Cities for Financial Empowerment Fund BankOn National Account Standards, which promotes first-generation banking access programs.
- For no additional fee, the account includes many checking account services such as mobile banking, which is environmentally friendly.

## **DOING RIGHT BY THE ENVIRONMENT**

Cadence operates in both company-owned premises and leased premises. We foster a paperless environment.

- Cadence operates in five buildings that are LEED certified, representing 17% of the property portfolio.
- Our Houston and Atlanta headquarters are both housed in LEED certified buildings.
- Cadence participates in formal recycling programs where available by our landlords.
- Cadence shreds and recycles paper with an outside vendor.
- All new major signage is LED, and depending on the building and the renovation, photo cells are used for the exterior lighting and signage.
- As we build-out or renovate space, we are adding LED lighting and occupancy sensors.
- Cadence offers both consumer and commercial clients online banking platforms and remote deposit capture to help minimize the carbon impact on paper and transportation.

## **DOING RIGHT BY OUR ASSOCIATES (HUMAN CAPITAL MANAGEMENT)**

### Diversity, Inclusion and Respect

- We launched a D&I Program in 2019 built on our value of “Embrace We”.
- Our D&I program is built on 3 pillars:
- Thriving Talent – active acquisition and development of diverse talent
- Being We – creating an inclusive environment by living our core values

- Visible Value – adding value with diverse community partnerships, products and vendors
- In 2020, we will begin tracking our progress.
- We have robust training, an HR helpline and continually monitor our associate satisfaction via surveys.
- We maintain a confidential hotline administered by a third party as part of our commitment to our Code of Conduct.
- We uphold a commitment to pay a fair and market wage.

#### Benefits

- Cadence’s benefits include medical, dental, vision, flexible spending accounts and health savings accounts.
- Cadence matches 100% of the first 5% of an associate’s payroll deferral amount for 401(k) accounts.
- Cadence offers an Employee Stock Purchase Plan.

#### Human Rights Statement

- Cadence adopted a Human Rights Statement in 2019 that can be found on our website at [cadencebancorporation.com](http://cadencebancorporation.com).

#### Code of Vendor Conduct

- Cadence adopted a Vendor Code of Conduct in 2019 that can be found on our website at [cadencebancorporation.com](http://cadencebancorporation.com).

### **DOING RIGHT BY SHAREHOLDERS (GOVERNANCE)**

#### Board Diversity

- Three of our ten board members are women. Two of our three women board members are African American. The ages of board members range from mid-40s to mid-70s.

#### Percentage of Independent Board Members

- Nine of the ten board members are independent.

#### Chairman of the Board and independence

- Nine of our ten board members are independent. William Harrison is our Lead Director. Paul Murphy is Chairman of the Board and CEO of Cadence Bancorporation (CADE); Mr. Murphy is not independent. Joe Evans serves as Vice Chairman of the Board and is independent.

#### Percentage of Women on Senior Management Team

- Two of our seven executive management team are women.

### Code of Business Conduct

- Available on [cadencebank.com](http://cadencebank.com)

### Insider Trading

- No hedging/no pledging policy

### **DOING RIGHT BY INFORMATION SECURITY AND TECHNOLOGY INNOVATION**

- We have established multiple lines of defense to ensure our risk management processes address the risk posed by potential threats to the institution.
- We have a robust Business Continuity program.
- We have a strong financial commitment to security with an annual spend of more than \$60 million and over 100 employees in Information Technology and Information Security.