



ESG REPORT

   2021

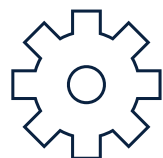


The Bancorp strives to advance its corporate strategies in a manner that ensures good stewardship for the benefit of our stakeholders—including shareholders, employees, business partners and the communities where we live and serve.



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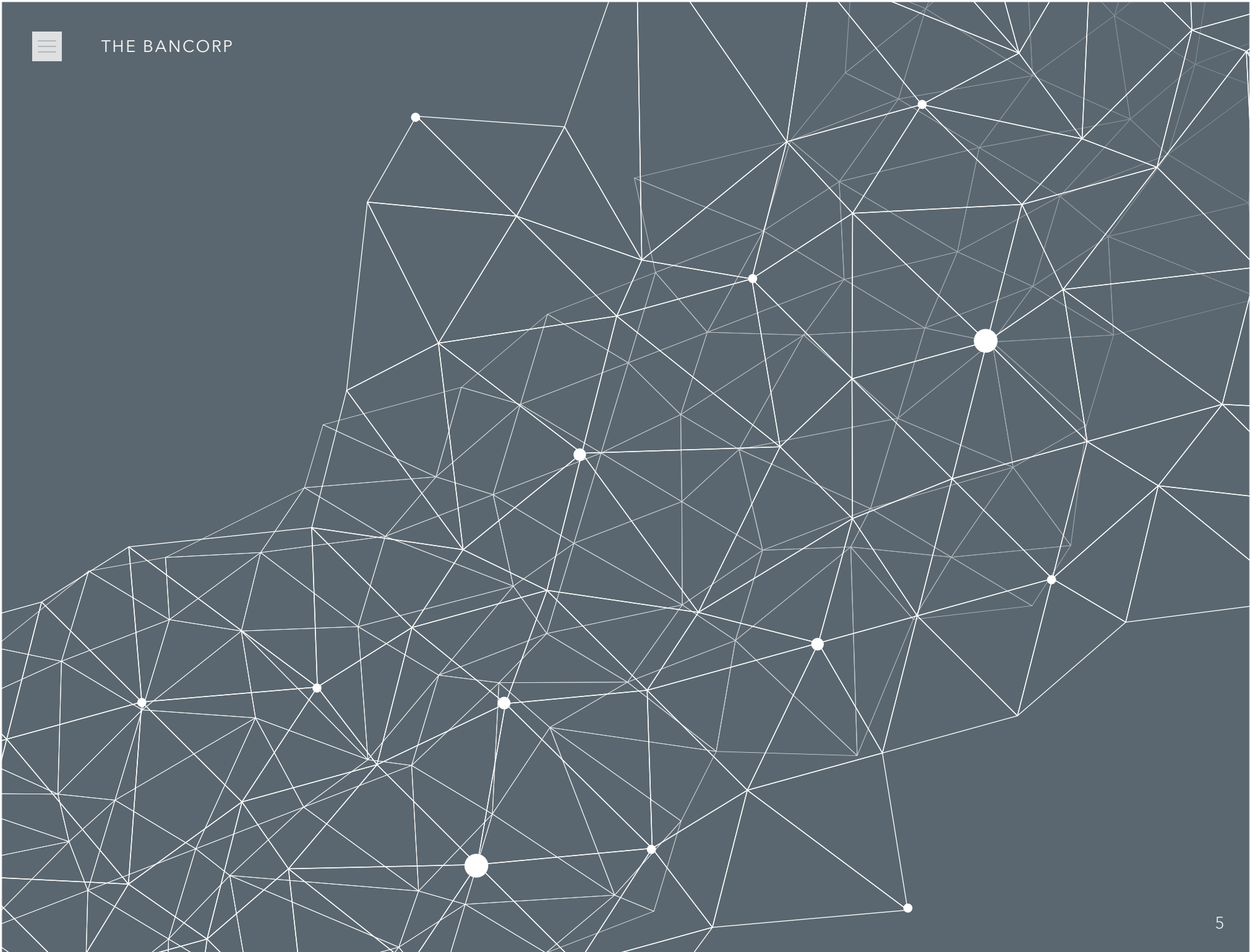
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A MESSAGE FROM THE CEO

At The Bancorp ("Bank"), we believe that being a leader in banking is not just about financial performance. Profitability and earnings growth are important. But beyond financial performance – and often behind financial performance – are the values and practices that truly give a company the license to operate. We believe that environmental, social and governance (ESG) principles are a natural overlay to how we already manage our business, identify risks and opportunities, engage our stakeholders and lead by example. Our corporate values – a client-first mindset, partner-focused solutions, an inclusive organizational culture, and a principled approach to business and enterprise strength – are coherently aligned with our approach to implementing ESG principles.

Since taking the helm in 2016, I'm proud to see how we've created an organization that highly values our responsibility

to rigorously apply good banking and risk management fundamentals. We've also helped our partners innovate as they develop new products and services that are remaking and revolutionizing the financial services landscape. The Bancorp plays an important role in today's banking community as an enabler of change, promoting financial inclusion and breaking down barriers to prosperity.

Our corporate strategy is to build a second-to-none payments and fintech ecosystem, and use our balance sheet to maximize our net interest income in lower-risk credit and return capital to our shareholders. We call this strategy Vision 500. It sets aggressive but attainable goals to achieve \$500 million in revenue over the next several years from just over \$300 million today, while always being focused on the long-term fundamentals across our company that will enhance our value. ESG principles are an integral part of these fundamentals, and we are actively evaluating how to measure, improve and disclose our performance on these material topics, from climate change to cybersecurity to diversity and inclusion.

2021 was a milestone year for The Bancorp's ESG strategy, including the formation of our Board-level ESG Committee and ESG Working Group that is represented by a cross-functional leadership team from all strategic areas of the Bank. We also conducted an internal materiality assessment to better understand which topics were most relevant to our unique business model and operations. Most importantly, we began to lay the groundwork for increasing our transparency, accountability and reporting of our sustainability performance.



We do things with the right intentions at The Bancorp and undertaking an authentic and meaningful approach to our ESG strategy is no different.

I strongly believe this inaugural ESG Report for The Bancorp represents where we are in our journey to become a more sustainable and responsible bank – including our significant progress and long-standing commitments from a time when we were not yet using the “ESG” acronym. We do things with the right intentions at The Bancorp and undertaking an authentic and meaningful approach to our ESG strategy is no different.

We look forward to deepening our disclosure and sustainability commitments in the coming years from this baseline, and we welcome feedback from all our stakeholders to keep us honest and transparent in this journey.



Damian Kozlowski
CEO & President

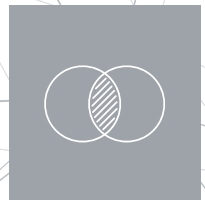
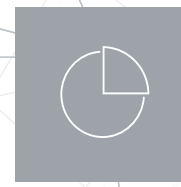




ABOUT THIS REPORT

This is The Bancorp, Inc.'s ("The Bancorp," "the Bank," and "the company") inaugural Environmental, Social and Governance (ESG) Report. In this report, we follow guidance from leading ESG reporting frameworks and standards, including the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). The quantitative and qualitative metrics included in this report cover The Bancorp's operations for the 2021 calendar year, unless otherwise stated. This report includes information, data and statistics from third parties.

Statements in this report regarding The Bancorp's business that are not historical facts or concern our earnings guidance or 2025 plan are forward-looking statements. These statements may be identified by the use of forward-looking terminology, including the words "may," "believe," "will," "expect," "anticipate," "estimate," "intend," "plan," or similar words, and are based on current expectations about important economic, political, and technological factors, among others, and are subject to risks and uncertainties, which could cause the actual results, events or achievements to differ materially from those set forth in or



implied by the forward-looking statements and related assumptions. These risks and uncertainties include those relating to the ongoing COVID-19 pandemic, the impact it will have on the company's business and the industry as a whole, and the resulting governmental and societal responses. The 2022 guidance and long-term financial targets in this presentation assume achievement of management's credit roadmap growth goals as described herein and other growth goals. If such assumptions are not met, guidance and long-term financial targets might not be reached. For further discussion of these uncertainties, see the "risk factors" sections contained in The Bancorp's Annual Report on Form 10-K for the year ending December 31, 2021 and in its other public filings with the SEC. In addition, these forward-looking statements are based upon assumptions with respect to future strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements. The forward-looking statements speak only as of the date of this presentation. The Bancorp does not undertake to publicly revise or update forward-looking statements in this presentation to reflect events or circumstances that arise after the date of this presentation, except as may be required under applicable law.



ABOUT THE BANCORP

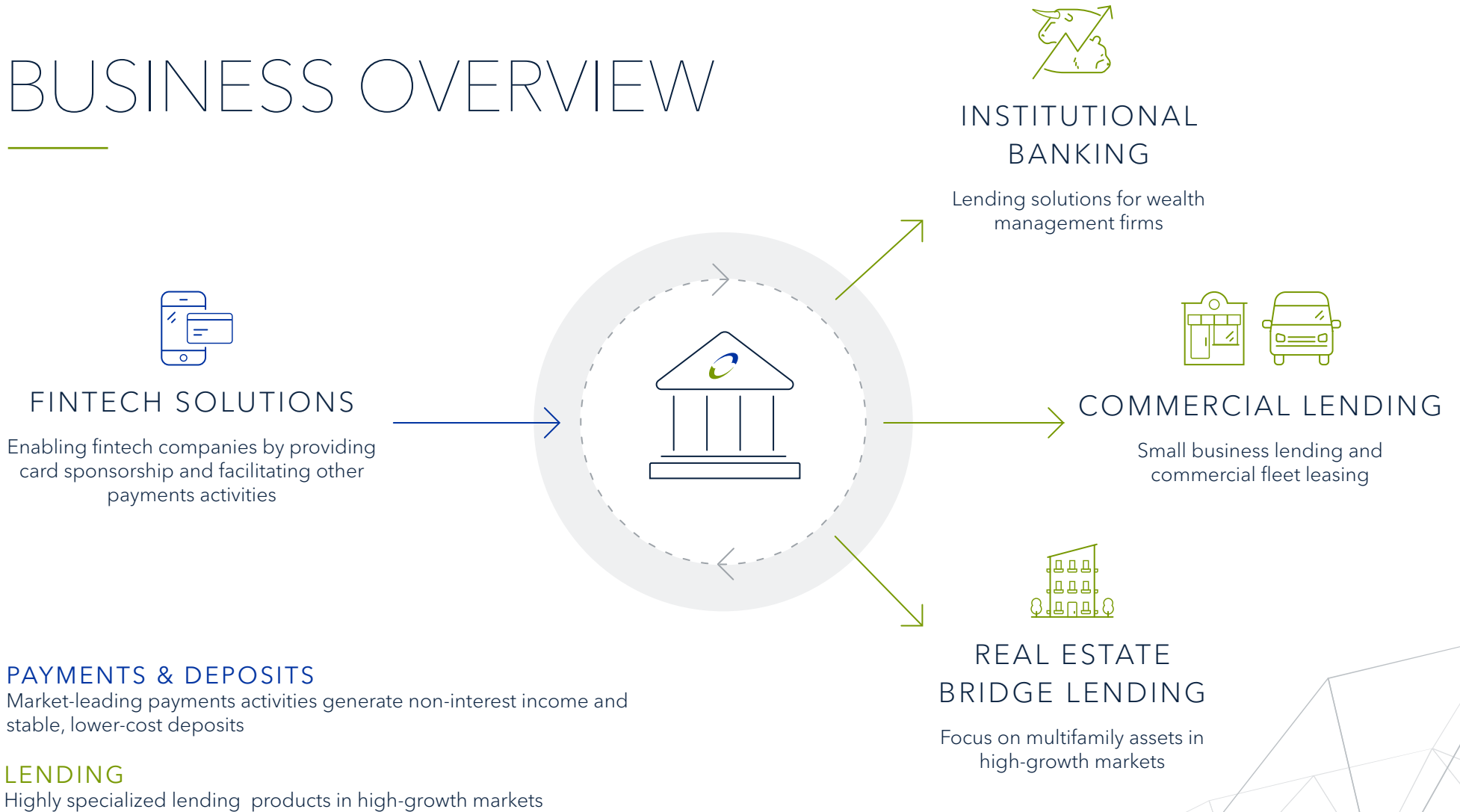
The Bancorp, Inc. (NASDAQ: TBBK), headquartered in Wilmington, Delaware, is a payment services provider and specialized lender within the U.S. through our subsidiary, The Bancorp Bank, N.A. We support the payments and banking needs of nonbank companies, ranging from entrepreneurial startups to Fortune 500 companies.

The Bancorp has more than 20 years of experience successfully developing and delivering complex banking products and services for our business partners and their clients. At the helm of our operations are financial service professionals – bankers, technologists, strategists and many others – committed to maintaining the highest standards of performance and regulatory best practices to ensure service excellence.

Our Fintech Solutions, Institutional Banking, Commercial Lending and Real Estate Bridge Lending offerings help our clients transform their businesses with banking solutions powered by cutting-edge technology and a “partner first” perspective. As a result, we’ve gained industry recognition as the leading issuer of prepaid cards in the U.S., a leading merchant servicer and a top ACH originator. We are also an SBA National Preferred Lender, institutional banking services provider and one of the few bank-owned vehicle and fleet leasing groups in the nation.



BUSINESS OVERVIEW





ESG AT THE BANCORP

Guided by our Corporate Values, we are committed to environmental sustainability, social responsibility and strong governance practices (“ESG Principles”). We strive to advance our corporate strategies in a manner that ensures good stewardship for the benefit of our stakeholders, including shareholders, employees, business partners and the communities where we live and serve. As our organization grows, we will refine and expand our approach to implementing the ESG Principles most material to our business in order to be responsive to tomorrow’s needs.

As an organization, The Bancorp believes that responsible business growth requires us to take meaningful steps to incorporate relevant ESG Principles into our business strategy. The ESG-related actions we have taken, and will continue to take, focus on creating favorable results and experiences for our employees, our local community and the environment – all within the context of our strategic business model.



*As an organization,
The Bancorp believes that
responsible business growth
requires us to take meaningful
steps to continue to incorporate
relevant ESG Principles into
our business strategy.*







MISSION & VALUES

Our corporate values drive all we do – including our approach to implementing ESG Principles. As we live out our values on a day-to-day basis, we remain mindful of how our corporate practices and our products and services align with material ESG Principles that are important to The Bancorp stakeholders.



Inclusive Organizational Culture

We encourage a spirit of collaboration, while striving to create a diverse team where everyone treats each other with dignity and respect.

Client-First Mindset

We put the interests of our clients first, providing them with the resources, expertise and support to help them succeed.



Principled Approach to Business

We operate our business with the highest standard of financial and ethical responsibility and accountability.



Partner-Focused Solutions

We are dedicated as an organization to innovation, creative thinking and delivering value for our business partners and all those in The Bancorp community.



Enterprise Strength

We govern our institution in a safe and sound manner and contribute to the strength and growth of the banking system, as well as all the communities we serve, through our products and services.



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BOARD COMPOSITION

Our Board of Directors brings a wide range of experiences, competencies and perspectives – each director is passionate about our visionary agenda and is driven to help us succeed and prosper.

The evolution of our Board composition in recent years can be considered a frontrunner for The Bancorp’s intent to lead by example across the various ESG topics that are material to our business. We have made significant strides in building a Board whose diversity reflects that of our workforce, our clients and partners, and the communities in which we operate.



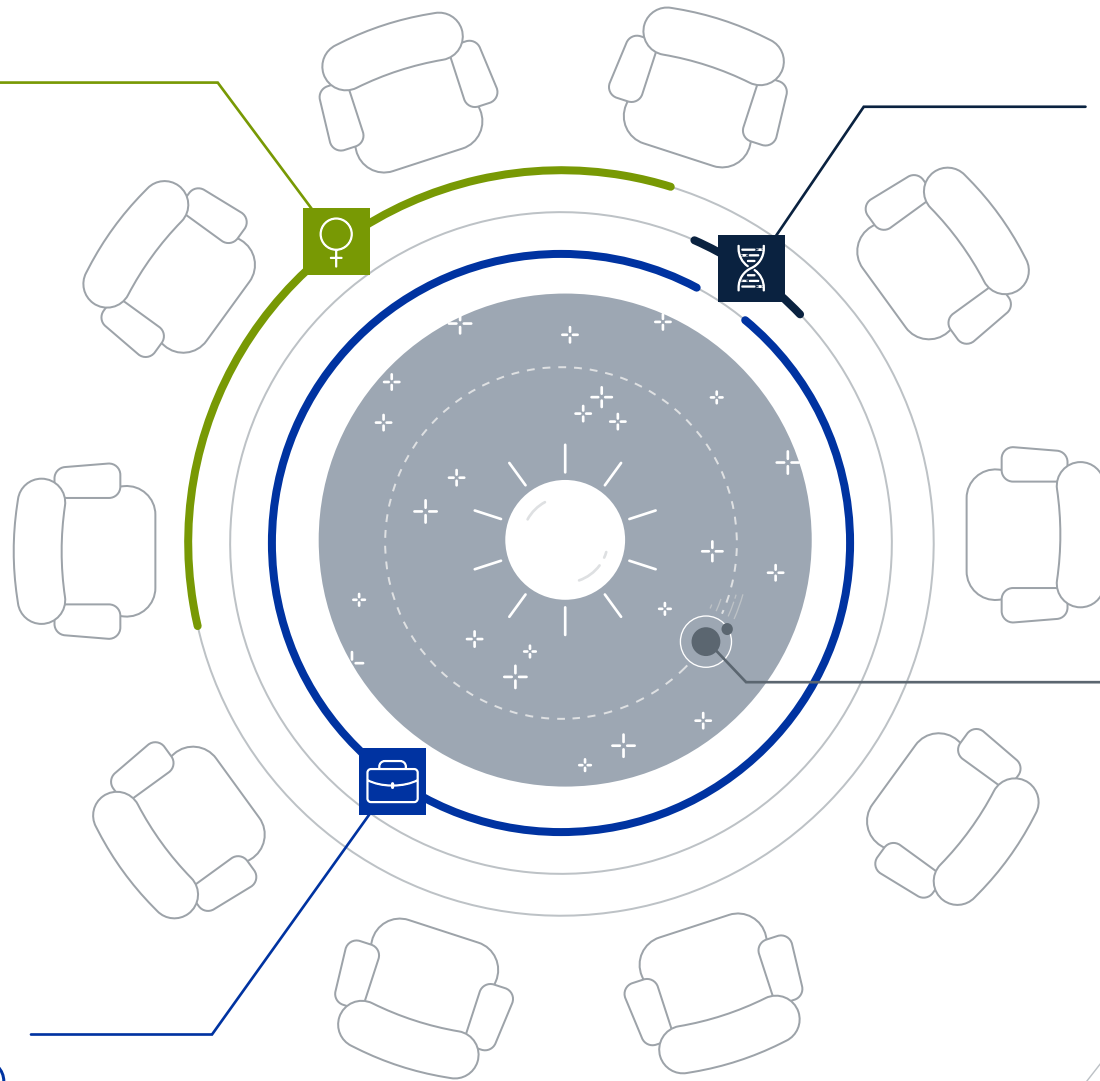
Champion of Board Diversity Honoree, Oct. 2022



BOARD COMPOSITION

33%
WOMEN

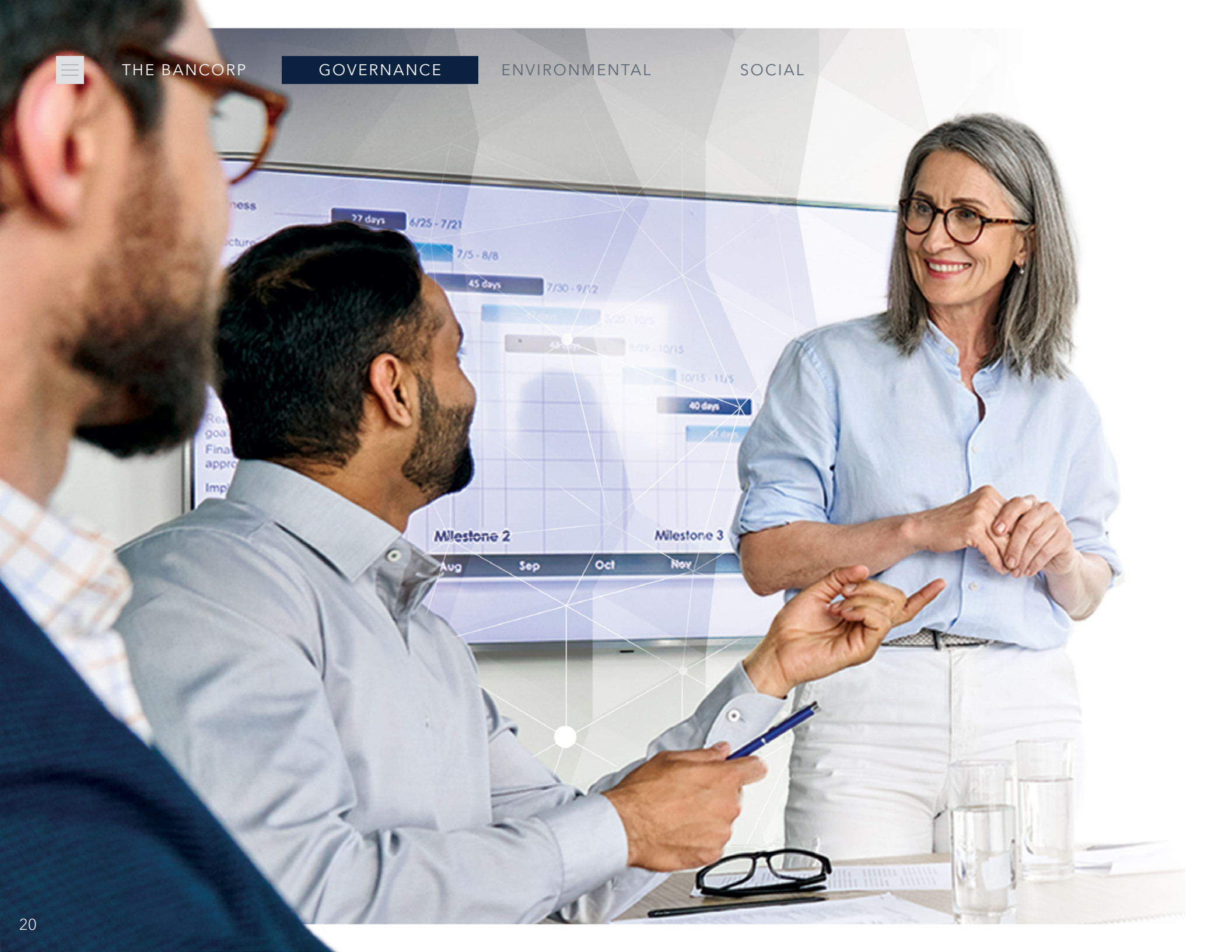
16%
RACIALLY OR
ETHNICALLY
DIVERSE



9
YEARS AVERAGE
TENURE

92%
INDEPENDENT

Source: Data as of 12/31/2021





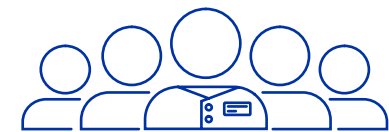
ESG OVERSIGHT

ESG oversight at The Bancorp is vertically integrated and embedded in our existing reporting structures, starting with the Board and involving every function. Our Board leads the way in making a priority of strong governance, ethical business practices, prudent risk management and transparent reporting. The Board has appointed an ESG Committee that is charged with ensuring that senior management strategically considers ESG Principles and related risks while implementing The Bancorp’s overall business plan. Our CEO and executive leadership performance is measured, in part, by the successful implementation of ESG-related strategic initiatives across the enterprise. We are meaningfully defining an approach to this measurement in 2022.

The ESG Committee was formed in February 2021 and was initially a sub-committee of the Nominating and Governance Committee. However, given The Bancorp’s commitment to ESG-related principles and ESG risk management, the Board determined that the ESG Committee should be a standing committee of the Board, effective March 2022. The committee meets at least quarterly to oversee the company’s ESG strategy and management’s efforts in addressing ESG-related risks facing The Bancorp.



BOARD OF DIRECTORS



ESG COMMITTEE



ESG WORKING GROUP



Through our robust Enterprise Risk Management (ERM) process, ESG-related risks and opportunities are seamlessly identified and addressed at the Board level.





ESG OVERSIGHT

OUR APPROACH TO MANAGING CLIMATE-RELATED RISKS & OPPORTUNITIES



As a bank, we are keenly aware of the emerging risks related to both the physical impacts of climate change as well as the risks inherent in the transition to a low-carbon economy. As our organizational understanding of climate-related risks and opportunities evolves, we will continue to evaluate these impacts and communicate our approach to identifying, measuring and managing them through the lens of the Task Force on Climate-Related Financial Disclosures (TCFD) framework.



Through our Enterprise Risk Management (ERM) and business continuity functions and processes – as well as our branchless business model – we are building resiliency against many physical risks to our operations. Measuring our exposure to climate-related impacts on our financing portfolios and integrating climate risk metrics (among others) into our credit risk management will be a significant work in progress. We are committed to evaluating these best practices and how they would best apply to our strategy and products.



We also recognize our role in facilitating the transition to lower carbon or carbon-neutral activities through our financing and investment strategies. We do not participate in the fossil-fuel energy production sector. We also track specific metrics within the loan portfolio directed to renewable energy projects or lending opportunities in the area of energy efficiency. A transition-related opportunity we are evaluating is increasing the proportion of electric vehicles (EVs) in our fleet leasing business. In addition, we are exploring partnerships with institutions that have a focus on solar energy projects.



As we expand our ESG strategy, we will seek ways to further optimize our governance processes to more objectively evaluate and mitigate ESG-related risks.





RISK MANAGEMENT

Risk management is at the heart of our business model and core to our ability to create value. As a federally insured financial institution, we have developed a robust enterprise-wide risk management (ERM) infrastructure that is intended to identify and mitigate a wide range of risks. In addition to our established system of internal controls, our ERM framework is intended to facilitate a culture of risk management with our business partners and third-party service providers. We recognize there are multiple risks that pose a potential threat to our operations, and we continuously review and update our risk management standards to adapt to the dynamic economic, regulatory and consumer environment.

ESG risks contribute to our overall risk profile. We are committed to incorporating these risk considerations into our business practices in order to execute our business strategies more effectively. As we expand our awareness of ESG-related risks across our enterprise, we will continue to integrate relevant ESG principles into our ERM framework.



The Bancorp has **completed** the following:

-  **Our Board of Directors appointed an ESG Committee** to support our ongoing commitment to ESG principles, promote a positive ESG culture across the organization, and provide oversight of management's implementation of ESG strategies.
-  **We have formulated an ESG strategy** that outlines the integration of relevant ESG principles into our core values and lays the groundwork for incorporating ESG risk considerations into our business practices. As we expand our ESG strategy, we will seek ways to optimize our governance processes to evaluate and mitigate ESG-related risks more objectively.
-  **Senior management formed an ESG Working Group**, which consists of select officers and employees with expertise in relevant disciplines. The ESG Working Group evaluates the Bank's ESG risk profile, develops the ESG strategy, and tracks the Bank's ongoing ESG-related performance against relevant benchmarks.
-  **We continue to expand our ERM monitoring and data collection activities** to account for new and evolving ESG risks and compliance requirements, and to ensure integration of ESG-related principles into our risk management activities.





RISK MANAGEMENT

Capital Planning & Stress Testing

As a regulated financial institution, The Bancorp engages in ongoing capital planning and stress testing as part of robust risk management practices. The Bank monitors for changing economic market conditions and other risk factors such as deterioration of the economy, individual elements of our credit portfolio, long-term trends, and social/environmental conditions that could impact our lending and securities portfolios. The Bank can use the analysis to test how the valuation of a portfolio could change under different scenarios.

New Products & Services

New products and services, as well as product and service expansions and modifications, are carefully reviewed by our New Products, Services or Approval for Change (NPSAC) Committee. Comprised of our business-line leadership, Compliance, Legal, Risk, Marketing, Financial Crimes Risk Management and other corporate functions, the NPSAC Committee provides a centralized forum for presenting and evaluating new or modified product and service offerings. This process includes documenting and discussing material risks associated with such offerings and implementing controls to reduce or eliminate such risks.





CYBERSECURITY & DATA PRIVACY

The ongoing evaluation of The Bancorp's internal and external operating environment is a vital component that contributes to the success of the Bank and the security of our clients and partners. Our teams of Cybersecurity and Business Continuity specialists continuously work to identify potential threats and assess risks that may impact our business operations.





CYBERSECURITY & DATA PROTECTION

CYBERSECURITY PROGRAM

We recognize that the secure transmission of confidential information over public networks and other mediums is a vital element of our business model but presents associated risks. Accordingly, cybersecurity is a top priority of our operations.

We utilize a secure, multi-tiered architecture, using controls from a wide variety of security industry leaders, through which we provide financial products and services.

Our comprehensive Cybersecurity Program is mapped to the National Institute of Standards and Technology (NIST) Cybersecurity Framework, the Center for Internet Security® (CIS) Critical Security Controls, the Federal Financial Institutions Examination Council (FFIEC) Cybersecurity Assessment Tool and relevant ISO standards.



To further support our Cybersecurity Program,
we also:



Obtain annual PCI Certification



Employ highly experienced cybersecurity professionals who continuously evaluate, monitor, and test for potential threats and compliance under the direction of our Chief Information Security Officer



Regularly review and maintain The Bancorp's standards to securely configure and administer firewalls, routers, databases, antivirus systems, wireless networks, remote access, and security logging and monitoring systems



Establish program-level requirements to properly safeguard customer information in accordance with the requirements of the Gramm-Leach-Bliley Act (GLBA)





CYBERSECURITY & DATA PROTECTION

DATA PRIVACY

The protection of customers' personal and financial information is a vital component of our business operations. We safeguard personal information through a wide range of technological, administrative, organizational and physical security measures. We also require that applicable third parties, such as our suppliers and vendors, protect this information as well. In addition, our Code of Ethics and Business Conduct and other policies include specific guidelines about how employees should safeguard customers' information.

We have an incident management process in place to respond to any suspected or actual incident involving unauthorized access to, or disclosure of, personal information, its availability or an impact on its integrity. This process requires escalation to a dedicated response team for mitigation, severity assessment, root cause analysis and corrective actions. We notify impacted individuals of privacy breach incidents in accordance with applicable state or federal law.



*To date, The Bancorp has not experienced **any** material data breach involving personally identifiable information.*



CYBERSECURITY & DATA PROTECTION

BUSINESS CONTINUITY PROGRAM

The Bancorp has implemented and continues to maintain a robust Business Continuity Program that aligns with our risk analysis and federal regulatory expectations. Ensuring the continuity of business operations is fundamental to the success of the Bank and our business model. Our collaboration with a wide range of business partners and service providers necessitates the need for strong business continuity controls principally focused on mission-critical systems. Because of the increased risks of climate-related disasters as well as other global events such as the worldwide pandemic, we remain focused on maintaining a strong business continuity program that adapts to changing and unforeseen circumstances in our business environment.



Consistent with guidance issued by the FFIEC, our **Business Continuity Program**:



Identifies critical business processes and their internal and external dependencies



Performs risk assessments annually, identifying our most prominent concerns and events, such as severe weather, with the highest potential to disrupt business



Defines and documents steps that can be taken to mitigate the impact if a disaster strikes



Validates those services, systems or third parties that can restore services in accordance with our requirements





BUSINESS ETHICS & CONSUMER PROTECTION

The Bancorp is committed to providing quality financial services to consumers in a fair and responsible manner. By doing so, we can build lasting relationships and help consumers meet their financial goals.

Our Code of Ethics and Business Conduct (“the Code”) serves as a foundation for our commitment to ethical conduct. We will continue to seek to uphold ethical business practices, including fair trade practices, fundamental human rights protections, fair labor practices, and anti-corruption practices. We desire to advance these principles not only within our leadership and staff, but also within the Bank's wider community – including our business partners, suppliers and contractors.



The Code sets the standard for these practices and requires, among other things, honest and ethical conduct and compliance with:



The letter and spirit of applicable laws



Rules and regulations that prohibit unethical, discriminatory, or predatory practices



UDAAP (Unfair, Deceptive or Abusive Acts or Practices)

All employees have a responsibility to comply with the Code and are required to read and acknowledge the Code and complete UDAAP compliance training on an annual basis.

The Code also includes specific protection against retaliation for whistleblowers and the procedures through which to report policy violations. The Bancorp has a comprehensive whistleblower program and speak-up programs for employees, officers, directors, and vendors to handle inquiries and respond. The program is overseen by our Chief Risk Officer, with participation from the Human Resources Department and Legal Department.



BUSINESS ETHICS & CONSUMER PROTECTION

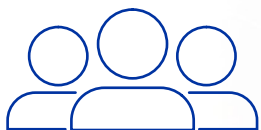
COMPLIANCE

The Bancorp Compliance Department plays a key role in our commitment to provide products and services fairly and responsibly. Compliance personnel are involved in the development of products and services, the approval of marketing materials, and product delivery testing with the aim of ensuring compliance with applicable laws, including:

- UDAAP
- The Truth in Lending Act
- The Truth in Savings Act
- The Fair Credit Reporting Act
- The Electronic Fund Transfer Act
- Other applicable consumer protection laws



Compliance personnel work with The Bancorp business lines to develop and communicate products and services to consumers in a clear, honest and compliant manner, and to ensure that our offerings are delivered to customers as designed.



A woman with dark hair, wearing black-rimmed glasses and a headset, is smiling and looking down at a laptop. She is wearing a light green long-sleeved shirt. The background is a blurred office setting with a geometric pattern of white lines overlaid on a dark grey background.

We are committed to strong corporate governance through effective oversight and strong, risk-based internal controls.



BUSINESS ETHICS & CONSUMER PROTECTION

COMPLAINT MANAGEMENT

As we deliver products and services, listening and responding to customer complaints is a top priority. We collect customer feedback through a range of channels, including our website, applications, telephone, social media and regulatory agencies.

We take this feedback seriously and consider it as we work to improve our approach and offerings. To aid in this effort, we have a robust complaint management process that includes our Complaint Policy and related policies and procedures designed to ensure timely and effective resolution of complaints, reports to management, and trending and root cause analyses to determine potential solutions.



KEY POLICIES

Our Board of Directors, the Audit Committee, and the entire organization adheres to our governance documents which contain standards of ethical conduct, regulatory and legal requirements, operational practices and more. This formal documentation ensures all actions taken on behalf of The Bancorp follow established business practices, meet regulatory and legal guidelines and prioritize the safety and security of our partners and our organization.



■ Code of Ethics & Business Conduct

The Code of Ethics and Business Conduct applies to every director, officer, and employee of The Bancorp and has been adopted to help meet the highest ethical, moral, and legal standards. This Code is designed to deter wrongdoing and promote accountability and honest and ethical conduct; full, fair, accurate, timely and understandable disclosures in reports; compliance with applicable governmental laws, rules and regulations; and the prompt internal reporting of violations of the Code to an appropriate.

■ Third-Party Risk Management Policy

The Third-Party Risk Management (TPRM) Policy, in conjunction with the TPRM Procedures, forms our overall TPRM Program. The TPRM Program provides the framework to govern The Bancorp's third-party relationships and to manage and mitigate risks associated with those third-party relationships in accordance with safe and sound banking practices and the guidance issued by the Bank's regulators. The TPRM Program addresses the assessment of risk and documentation, due diligence in selecting a third party and ongoing oversight and monitoring.

■ Enterprise Risk Management Policy

The Enterprise Risk Management (ERM) Policy was created to establish ERM standards across the Bank. ERM is core to executing and managing an effective risk culture across The Bancorp. The policy outlines the three lines of defense for ERM at The Bancorp. The first line of defense is comprised of the Bank's lines of business, the second line of defense is comprised of Bank-wide corporate Risk Management functions, and the third line of defense is the Bank's Internal Audit Department which reports to the CEO and the Board's Audit Committee.

■ Vendor Code of Conduct

The Vendor Code of Conduct defines the Bank's expectations that its Vendors will demonstrate corporate values and ethical practices that are consistent with the Bank's commitment to Environmental, Social, and Governance principles set forth in its Code of Ethics and Business Conduct, its Human Rights Statement and other documents.



We seek to maintain ethical and transparent business practices that foster the social covenant of trust embedded in our financial institution charter.



■ Anti-Bribery & Anti-Corruption (ABAC) Policy

The purpose of this policy is to prohibit "bribery" and other improper payments in connection with the Bank's business operations and to prevent the facilitation of corruption. The Policy establishes a framework for the company's corporate-wide ABAC Compliance Program, including establishing specific roles and responsibilities, and general accounting and record keeping requirements.

■ Business Continuity Policy

The purpose of this policy is to establish guidance to ensure The Bancorp's Business Continuity Program remains fit for purpose. Maintaining the Business Continuity Program will minimize financial losses, service our customer and financial markets, and mitigate the negative effects of disruptions on business operations. Business owners are responsible to ensure that the plans and response strategies are up-to-date, accurate, and validated. The policy requires the company's Chief Risk Officer to approve Business Continuity Standards annually.

■ Insider Trading Policy

The Board of Directors adopted the Insider Trading Policy to address purchases and sales of The Bancorp securities by its "insiders," including employees, officers and directors of the company and its subsidiaries, as well as certain family members. This policy considers Regulation FD (which deals with the timing and content of public disclosures concerning our business) and Rule 10b5-1 (which deals with pre-approved trading plans), but also reflects The Bancorp's own internal procedures. This policy is governed by key principles, such as quarterly blackout periods that apply to all company insiders.

■ Technical Security Policy

The Technical Security Policy establishes requirements for the secure configuration and administration of the company's technology assets. The policy applies to all technology assets used by The Bancorp, including those that are maintained outside the corporate premises, such as in cloud environments or hosted by third parties. The policy addresses standards and principles, such as technical access control, which include database access and remote access, change management, configuration and administration requirements, and logging and monitoring.



■ Anti-Harassment Policy

The **Anti-Harassment Policy** is intended to document key principles governing the Bank's commitment to a harassment-free workplace and provide a framework for internal standards and processes for reporting and resolving harassment complaints. The policy applies to all directors, employees, applicants for employment, interns, contractors, and persons conducting business with the company. This policy addresses standards and principles, such as examples of inappropriate conduct, complaint resolution procedures and assurances related to non-retaliation.

■ Diversity & Inclusion (D&I) Policy

This policy documents the key principles governing the Bank's **commitment to D&I** and serves to provide the framework for the development of internal processes and procedures related to D&I. The policy applies to all Bank employees, and the Bank's Board of Directors, consultants, contractors, business partners, and vendors.

■ Cybersecurity Policy

The Bancorp's **Cybersecurity Policy** establishes program-level security requirements and oversight to ensure the confidentiality, integrity, and availability of all of the company's information and technology assets. The policy serves as the top-level policy for the Cybersecurity Program. The policy outlines security and principles such as program objectives and structure, program accountability and organization, and monitoring. The Director of Cybersecurity/Chief Information Security Officer (CISO) is responsible for all aspects of the Cybersecurity Program, managing all functions, and overseeing corporate Cybersecurity initiatives.

■ Human Rights Statement

The purpose of the statement is to outline our approach to human rights in our business. The Bancorp is committed to providing a safe and secure work environment for all, which is reflected in our corporate values and our relationships with our customers, business partners and vendors. We require our business partners and vendors to comply with all applicable laws, and rules and regulations, which include those designed to enforce human rights and expect such entities to respect individual human rights and conduct their business operations free from human rights abuses.



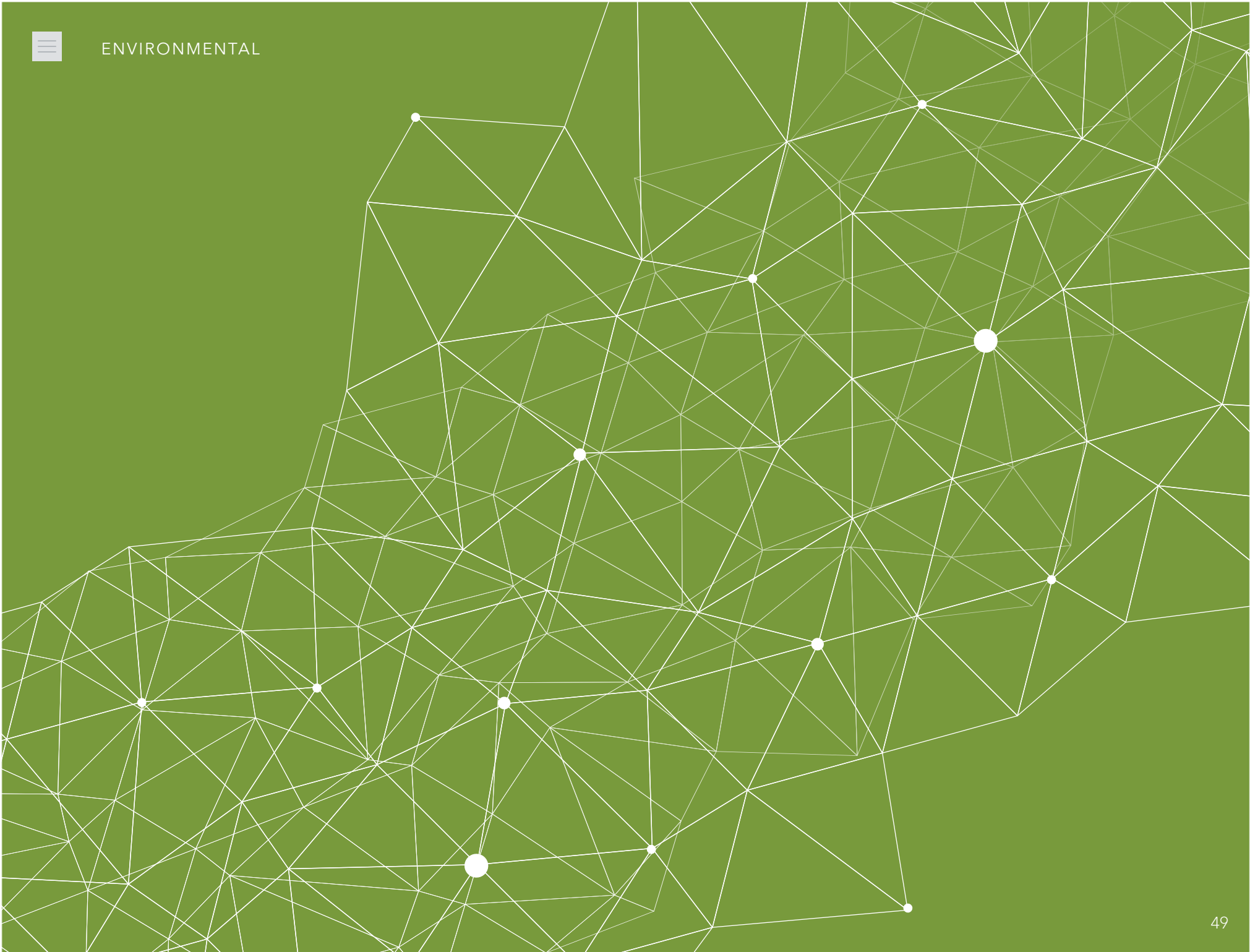
We continue to seek to uphold ethical business practices, including fair trade practices, fundamental human rights protections, fair labor practices, and anti-corruption practices.





ENVIRONMENTAL

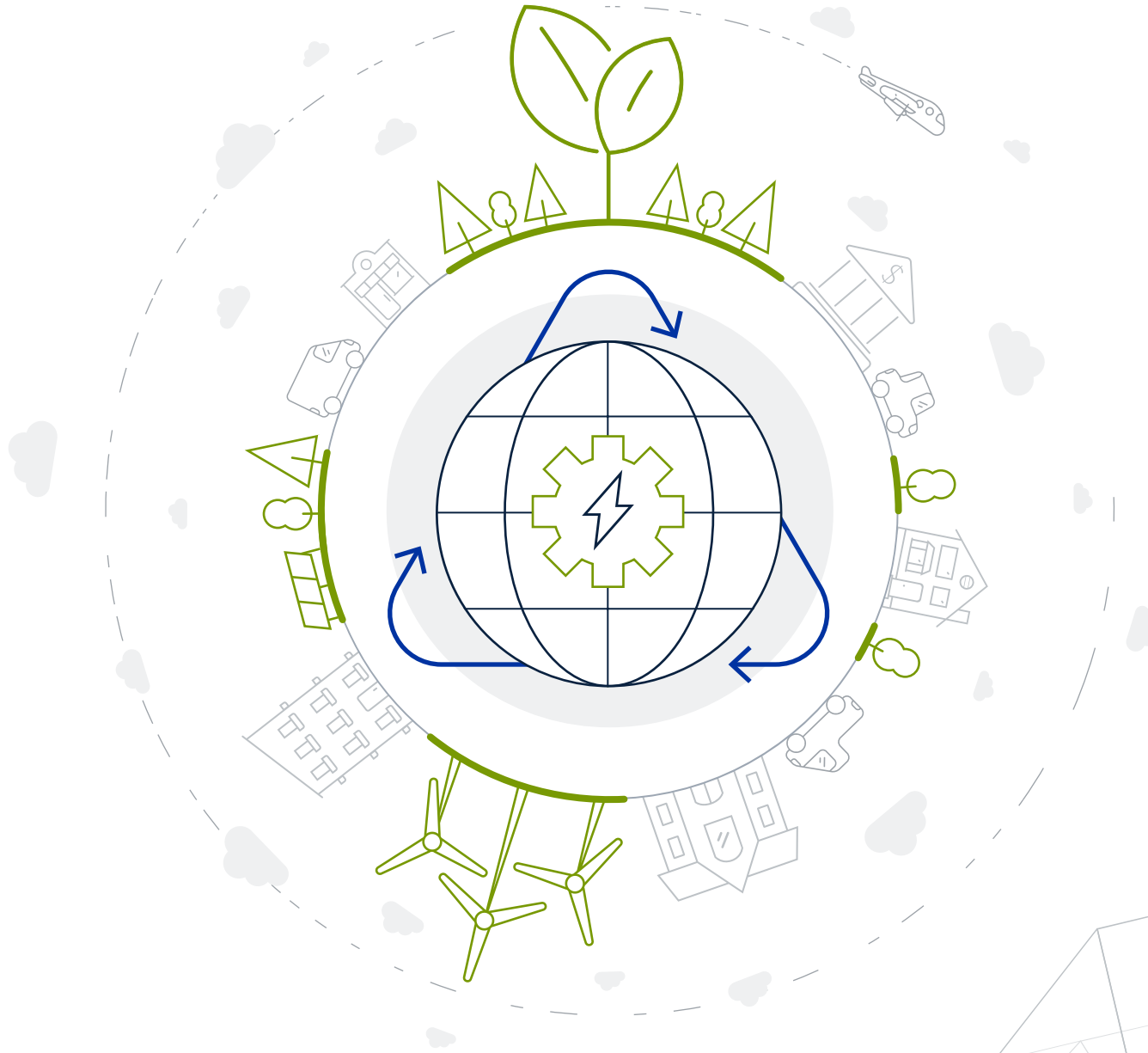
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ENVIRONMENTAL STEWARDSHIP

The Bancorp is committed to being a responsible corporate citizen by improving the quality of life in the communities in which we live and work. We believe that sustainable and responsible business growth is the collective result of effectively implementing our strategic plan in a manner that recognizes the importance of our environment. We recognize the risks presented by environmental exposure, are keenly aware of the changing nature of environmental laws and expectations, and actively work to try to reduce our carbon footprint throughout our operations.





ENVIRONMENTAL STEWARDSHIP

OUR BUSINESS MODEL & ENVIRONMENTAL SUSTAINABILITY

The Bancorp operates a branchless banking model that services over 150 million customers for various financial needs including deposit and lending products and services. Our branchless service model sets us apart. Unlike traditional banks, we are not dependent on brick-and-mortar retail locations for our business to grow and thrive. We primarily provide our products and services through digital channels maintained by our business partners, thereby allowing us to keep our carbon footprint small.

Our day-to-day business practices are tailored toward environmental responsibility. This includes encouraging eco-friendly habits within our office locations to reduce waste and encourage recycling. We strive to reduce unnecessary

business travel, work with clients remotely and use electronic documentation whenever possible. Our branchless model has enabled us to lower our climate impact compared to traditional banking models. We continue to seek ways to develop and deliver our banking products and services digitally, without the need for paper or plastics.

We continue to evaluate our footprint and business practices with an eye toward being an environmental steward and acting responsibly with respect to our local communities and the environment.



As a result of our business model and our business practices, we seek to reduce:



Direct and indirect **carbon emissions**



Land use through minimizing our physical footprint and environmental consequences



Construction-related disruption



Energy use by the company and our employees and customers





6,381 ft²

REDUCED OCCUPIED
OFFICE SPACE



80%

REDUCED
PAPER USAGE



We reduced our occupied office space by 6,381 sq. ft in 2021 and our paper usage has been reduced by 80% from 2019 to 2021 due to reliance on electronic loan application processes and packages and electronic signatures.



EMPLOYEE ENGAGEMENT IN ENVIRONMENTAL MATTERS

We encourage and empower our employees to be involved with important causes in The Bancorp community. With the support of senior management, our employees formed an Employee Resource Group (known as The Green Team), which focuses on ways we can continue to empower environmental friendliness throughout the company and in our surrounding communities. As our organization continues to grow, we will refine and expand our environmental approach to be responsive to tomorrow's needs.





PERFORMANCE METRICS

With the goal of establishing a baseline for our environmental impact and greenhouse gas (GHG) footprint, we collected information to calculate the energy consumption and greenhouse gas emissions of our operations. We continue to explore additional appropriate metrics through which to disclose our environmental performance.

Regarding our facilities, buildings were lightly occupied during 2021 due to the pandemic, and our energy usage data reflects this.

Our Scope 1 emissions include emissions from stationary combustion from The Bancorp's selected office sites and data centers and mobile source fuel combustion from The Bancorp's vehicle fleet. In addition, Scope 2 emissions are categorized both as location-based and market-based emissions. As defined by the World Resources Institute (WRI), the location-based

method is based on grid average emissions, while the market-based method reflects emissions based on energy procurement purchasing decisions.

Consultants calculated The Bancorp's Scope 1 and Scope 2 (location- and market-based) GHG emissions based on available data for the 2021 calendar year. They used a methodology consistent with the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard for the carbon emissions calculations, and emissions factors sourced from the EPA's GHG Emission Factors Hub for fuel emissions. For emissions from purchased electricity, the EPA's System Average Emission Factors by Subregion eGRID2020, January 2022, were used for location-based calculations, and 2021 Green-e® Residual Mix Emissions Rates (2019 Data) were used for the market-based calculations.



PERFORMANCE METRICS

395

Total (MtCO₂)

SCOPE 1 EMISSIONS

1,120

Location-based Emissions (MtCO₂)

SCOPE 2 EMISSIONS

1,145

Market-based Emissions (MtCO₂)

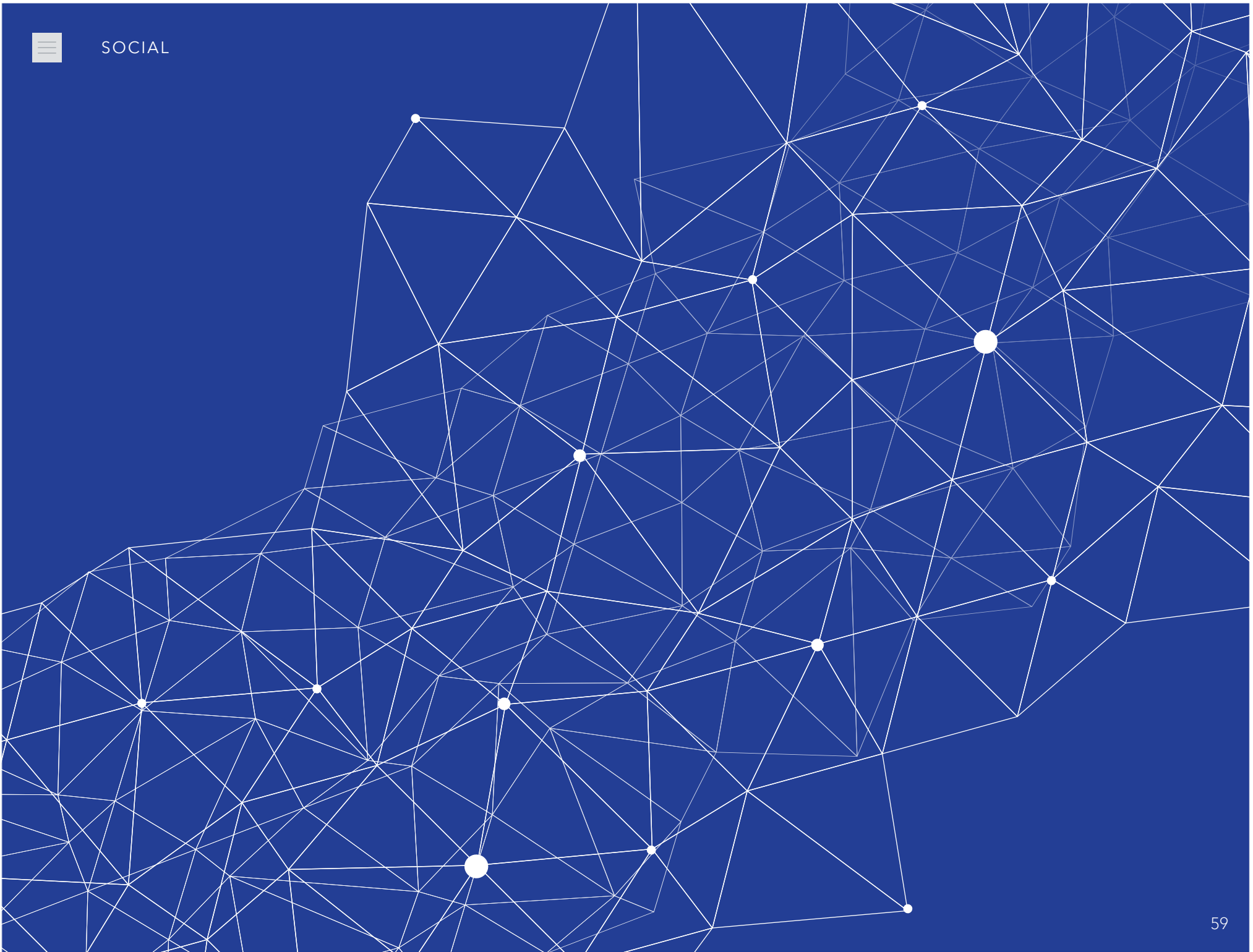
SCOPE 2 EMISSIONS





SOCIAL

- Financial Inclusion & Capacity Building 60
- Our Employees..... 64
- Diversity & Inclusion..... 70
- Human Rights..... 80
- COVID-19 Response..... 81





FINANCIAL INCLUSION & CAPACITY BUILDING

Consistent with our branchless banking business model and through leveraging technology, we strive to work with like-minded business partners who are committed to financial inclusion through the development of accessible and affordable financial products and services. We will continue to evaluate the evolving landscape of financial services and the changing needs of consumers and businesses and will facilitate the design of new and innovative financial products that seek to improve the lives of our customers while meeting societal demands and emerging social regulations.

We use our financial and human capital to support and improve the quality of life in the communities in which we operate. Community investment is an important part of our business model, and we strive to provide resources, talent and products for underserved communities in the areas in which we do business. This includes investments of time and money to support the growth and development of low-income and underserved communities. The Bancorp has a dedicated Small Business Administration lending portfolio that exceeds \$500M. In addition, we provided \$27,000,000 in new community development loans and investments.



Community Reinvestment Act (CRA)



Financial Literacy



Community Engagement



■ Community Reinvestment Act (CRA)

The Bancorp is committed to a robust Community Reinvestment Act (CRA) Program that not only meets the requirements of the CRA but also follows the spirit of the CRA. The Bank's CRA philosophy is built on providing empowering solutions and resources to underserved communities and low- or moderate-income populations. To advance our CRA activities, we have implemented a CRA Strategic Plan that has been approved by our regulators. Our Strategic Plan is designed to ensure our products and services, community investments and outreach, education, and technical assistance efforts consider these needs in a manner consistent with safe and sound banking practices.

■ Financial Literacy

The Bancorp is committed to building financial literacy and well-being throughout our local communities and beyond. We partner with Junior Achievement and Everfi to provide financial literacy training to customers of The Bancorp and members of the community. Our online Financial Resource Center provides comprehensive education for individuals interested in learning more about budgeting and managing money, investing, preparing for retirement, basic financial concepts such as credit cards and car loans, and much more.

■ Community Engagement

We remain committed to enriching and reinvesting in our local community by encouraging employees to serve in volunteer programs, providing corporate grants and participating in local outreach aimed at improving financial literacy within low- and moderate-income areas of our community. We also desire to give back to the communities within our regional area through donations to local charities, community development events and social outreach programs.

Through our Corporate Grant Program, The Bancorp provides financial support to select nonprofit organizations operating within our headquarters region of Southeastern Pennsylvania, as well as within the other locations where we conduct business. Grants are made only to qualified federal tax-exempt 501(c)(3) organizations as defined by the Internal Revenue Service.



\$125K

PROVIDED IN CRA GRANTS
IN 2021



OUR EMPLOYEES

Because we view our employees as our most valuable asset, we seek to attract and retain top talent. We pride ourselves in developing a culture of respect and empathy for our employees and fostering a work environment where employees are empowered to expand their knowledge base through learning and development so they can grow in their professional aspirations. We are committed to employee wellness, both health-wise and financially, and this is reflected in our compensation strategies and employee benefit programs which help employees balance work, life and family matters more effectively.



EMPLOYEE ENGAGEMENT

At The Bancorp, we believe that our employees are our most valuable asset. To that end, we are dedicated to attracting and retaining top talent while enhancing employee engagement, training and professional development. We seek to invest in our employees not only with competitive compensation and a robust benefits package, but also with opportunities for personal

and professional advancement. We provide our employees with the necessary resources to grow and thrive in their careers with The Bancorp. Our goal is to develop a workforce community that promotes fairness and respect and conducts business with honesty and integrity.



We solicit employee feedback and conduct ongoing employee outreach through our annual Employee Engagement Survey, to which we are responsive and take action. For example, we significantly increased our company-wide paid time off policy in 2021, as a direct result of the feedback we received in the previous year's survey.



We foster leadership development through a self-directed leadership development program known as L.E.A.D. (Learn, Engage, Aspire and Develop). This allows emerging leaders to build core knowledge in areas such as strategic thinking, relationship building, and influencing and executing.



We facilitate Employee Resource Groups, which provide opportunities to connect, collaborate and grow professionally with colleagues who share similar interests.



We provide managers with a Career Path Guide which allows them to have educated conversations with employees about their career development within The Bancorp.



We celebrate our employees' commitment and the value that they add during a dedicated Employee Appreciation Week event.



OUR EMPLOYEES

EMPLOYEE RESOURCE GROUPS

Open to all employees, Employee Resource Groups (ERGs) provide opportunities to connect, collaborate and grow professionally with colleagues who share similar interests, while supporting The Bancorp's inclusive work culture.

The Bancorp has **seven ERGs**:



Black Professionals



Employees That Serve



Health & Wellness



Hola



The Green Team



Working Families



Women's Initiative Network (WIN)



Over 20%, or 1 in 5, of The Bancorp employees participate in an ERG.





OUR EMPLOYEES

LEARNING & DEVELOPMENT

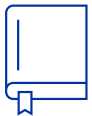
We strive to enable our employees to grow in their personal and professional skills. Through The Bancorp's dedicated Learning and Development team, we are committed to maintaining regulatory standards while cultivating an environment that educates and inspires all employees to reach their full potential.



Our Learning and Development professionals have **identified ways to embed learning** at many levels throughout the organization:



We have a **robust regulatory compliance training and testing program** specifically tailored to address the legal, technical and regulatory compliance requirements that our employees must follow. Our employees take pride in consistently achieving 100% completion of our regulatory training regimen on a quarterly basis.



We offer employees **additional skill development opportunities**, including our on-demand Take8 Learning and Development Program, which encourages employees to annually complete a minimum of eight (8) hours of voluntary professional development through our online library of course offerings.



We host an **annual Employee Learning Week**, which offers employee-led sessions covering topics from public speaking to healthy eating. This event highlights the talents our employees bring to The Bancorp while demonstrating the value of ongoing professional development through skill improvement.



DIVERSITY & INCLUSION

At The Bancorp, we are dedicated to attracting, developing and retaining high-performing, diverse talent at every level. We firmly believe that leveraging diverse perspectives and capabilities will enhance innovation, foster a collaborative work culture and enable us to better serve our customers and communities. One of our core values is to build an inclusive organizational culture. We are passionate about creating a welcoming, open and inclusive environment that celebrates diversity and promotes equity.



In 2018, we launched our Diversity and Inclusion (D&I) Program, which rests on **five strategic pillars**:

1 Organizational Commitment

Every day, we work to cultivate an inclusive culture that inspires employees to engage, live The Bancorp Values and bring their best selves to work.

2 Workforce Practices

We attract, develop, promote and maintain a high-performing, talented workforce that, at all levels, reflects the diversity of the customers we serve and the communities in which we work and live. We invest in our employees' personal and professional growth through formal learning and training, Employee Resource Groups and health and wellness programs.

3 Community Engagement

The Bancorp recognizes that community involvement enriches our collective understanding of the importance of diversity and inclusion and can serve as a catalyst for change by improving the quality of life in the communities in which we live and work. We support our communities through charitable contributions, grants, lending and volunteerism.

4 Supplier Diversity

The Bancorp is committed to diversity and inclusion in all aspects of our business, including supplier relationships. We understand that having a diverse array of suppliers leads to increased efficiency, innovation and competition and creates long-term value for The Bancorp, our suppliers and our communities.

5 Transparency

The Bancorp strives to communicate its diversity and inclusion efforts internally and externally to keep stakeholders informed and increase awareness of their importance.



Supported by these pillars, our Internal Diversity & Inclusion Council, composed of our Chief Diversity Officer and other senior leaders, develops and implements D&I initiatives across The Bancorp.

These initiatives enrich our work culture and cultivate a sense of belonging in various ways, including through ERGs that provide opportunities to connect, collaborate and grow professionally with colleagues who share similar interests.



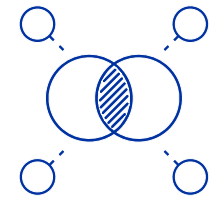


*We have been recognized
as a **Top 50 Employer** by
Equal Opportunity Magazine
for three consecutive years...*



...and we have received
the *Disability Friendly Award*
from the Business Resource
Network of Sioux Falls.





\$4.8M

SPENT WITH DIVERSE
SUPPLIERS IN 2021



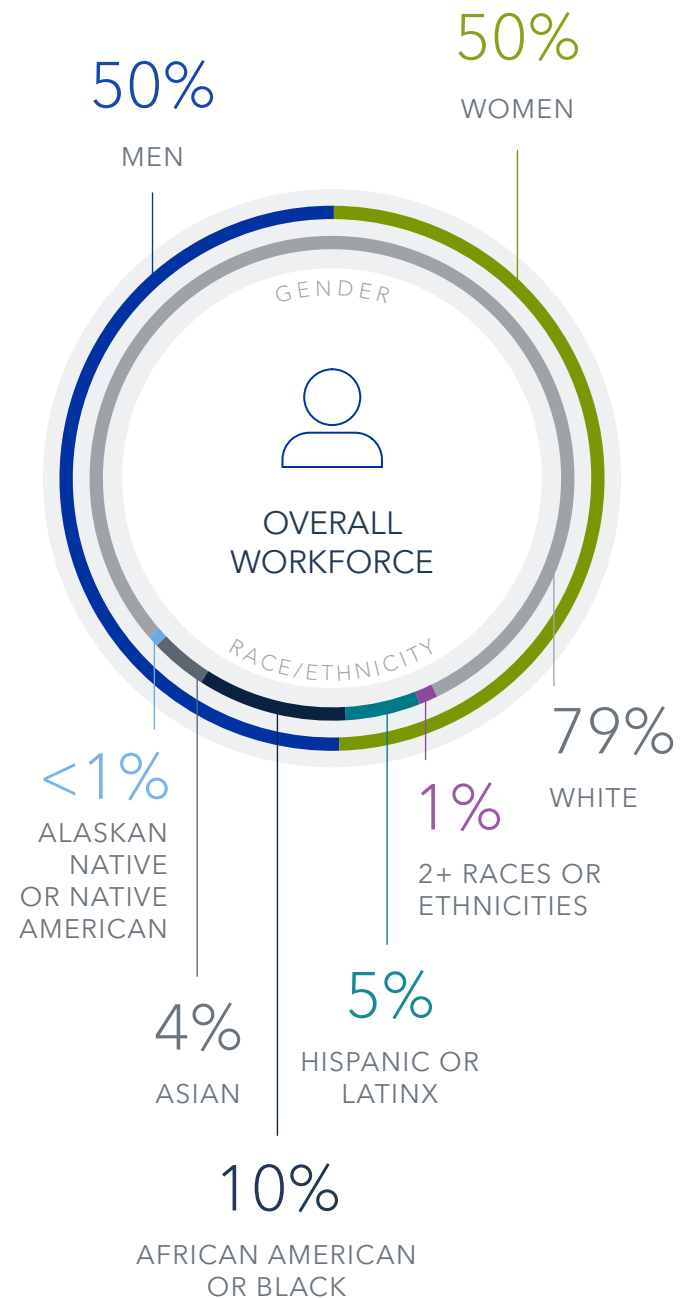
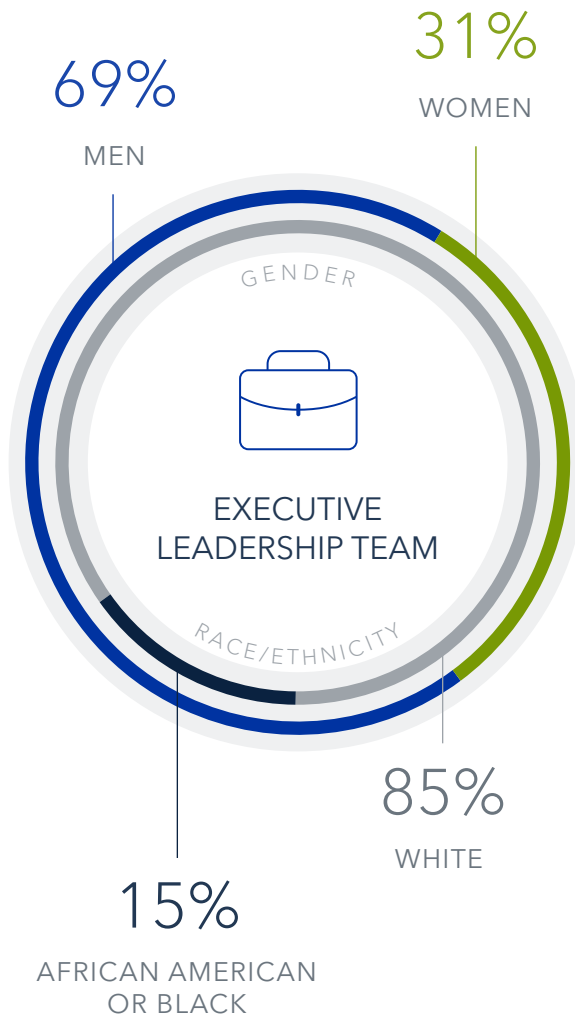
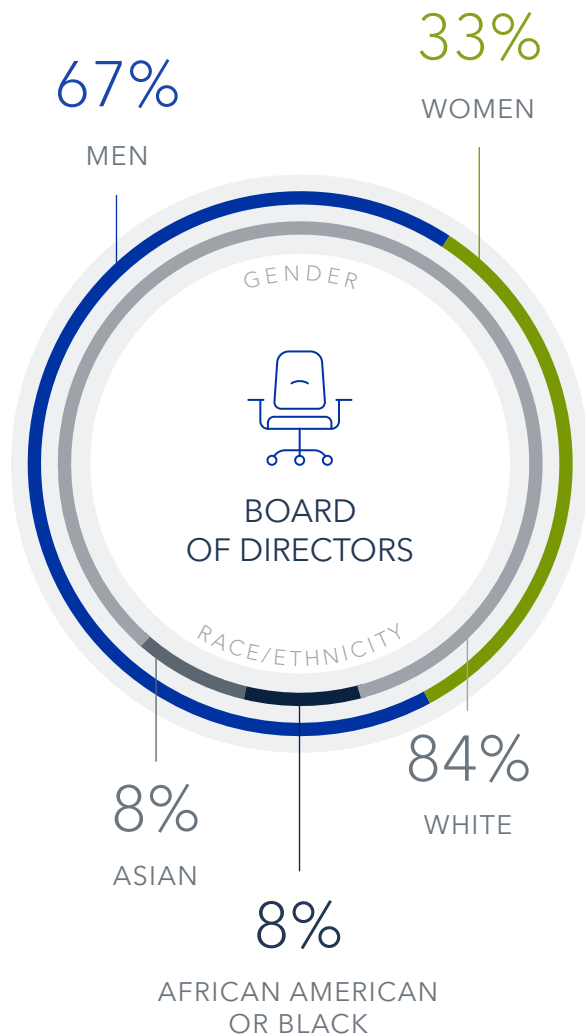
SUPPLIER DIVERSITY

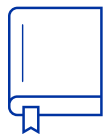
The goal of The Bancorp's Supplier Diversity Program is to promote the inclusion of diverse businesses in the purchasing process and to strive to increase the percentage spent with qualifying enterprises. Our strategies to improve the representation of diverse suppliers in our third-party inventory include developing more opportunities for diverse-owned businesses to learn more about The Bancorp's vendor needs and better compete for contracts. At the same time, we are also developing outreach programs to engage minority- and women-owned contractors and organizations. We are working to increase our diverse supplier connections and engagement through our corporate memberships in the National Minority Supplier Development Council (NMSDC) and Women's Business Enterprise National Council (WBENC). We are in the process of enhancing this program in 2022 to evaluate and assess the effectiveness of our supplier diversity efforts and identify areas for improvement.



DIVERSITY & INCLUSION

KEY METRICS





15.79 HRS

AVG. ANNUAL TRAINING
PER EMPLOYEE



11.09 HRS

MANDATORY
COMPLIANCE

4.7 HRS

PROFESSIONAL
DEVELOPMENT





HUMAN RIGHTS



The Bancorp supports fundamental human rights across all our business activities and strives to uphold the dignity and respect of individuals in interactions with our employees, customers, business partners, vendors and communities.

Consistent with human rights principles and our Corporate Values, we are committed to providing a safe and secure work environment for all employees and equal employment opportunities for all qualified applicants and employees. In addition, we seek to foster a diverse and

inclusive workplace where each employee feels valued and respected. Therefore, we strictly prohibit practices that disregard fundamental human rights or violate workplace laws and regulations, such as discrimination, harassment, and modern slavery (e.g., forced labor, unlawful child labor, and human trafficking). We regularly review and refine our workplace policies and practices to ensure we are upholding these principles.

Our commitment to human rights is also reflected in our relationships with our

customers, business partners and vendors – we believe such relationships provide an opportunity to develop best practices supporting human rights. The Bancorp has adopted policies and procedures designed to ensure compliance with legal requirements, including our Third-Party Risk Management Policy and Vendor Code of Conduct. At a minimum, we require business partners and vendors to comply with all applicable laws, rules and regulations, which includes those designed to enforce human rights. We expect such entities to similarly respect

individual human rights and conduct their business operations free from human rights abuses.

We also recognize human trafficking as a risk for financial crimes. Therefore, we have implemented controls designed to prevent traffickers from laundering their illicit funds via our financial products and services, and to report suspected criminal activity to the appropriate authorities. More details about The Bancorp’s approach to human rights in our business can be found in our Human Rights Statement.



COVID-19 RESPONSE



How The Bancorp responded and adapted to the disruptions early on in the pandemic in 2020 serves as a clear success story of our risk management and business continuity strategies. Long before COVID-19, we knew that we needed to enable our workforce to be more mobile while remaining secure as a bank. Our Risk Management, Cybersecurity and IT teams laid out this vision and roadmap, ensuring we were ready for possible disruptions such as the pandemic. We are proud of how quickly we were able to

maintain critical operations essential to our business and partners while keeping our employees and their families safe.

During the pandemic, we also added to our well-being offerings to help employees better balance their work and home responsibilities. From June 2020 to June 2021, we offered an Employee Financial Relief Program to employees that assisted employees experiencing

financial hardship caused by COVID-19.

As we continue to navigate an economy in recovery, The Bancorp remains vigilant and prepared for other risks and threats to our business and communities, including an industry-leading ability to be responsive,

thanks to our leading governance program and organizational resilience.



The design in this document illustrates a multifaceted connectivity core to The Bancorp's ESG philosophy: Responsible growth through a community of employees, partners, and suppliers who represent the values of the stakeholders we serve.







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