

2023-2024

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT



CELEBRATING 160 YEARS





Making a Difference

Apple Bank ESG Report

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OUR MISSION: To put the best interests of our customers first and to manage our company prudently and responsibly.



1863

APPLE BANK
FOUNDED IN
NEW YORK CITY

\$16B+

IN ASSETS

\$11B+

IN CURRENT LOANS

\$14B+

IN DEPOSITS

80+

LOCAL BRANCHES

1,300+

EMPLOYEES

**Growing
Responsibly**

Planting Seeds for a Better World

We are proud to share Apple Bank's first annual Environmental, Social, and Governance (ESG) Report—a showcase of our ongoing work on behalf of the communities we serve and the world in which we live.

Apple Bank's commitment to ESG is built upon a firm foundation of community-focused operations dating back to our founding in 1863. We have always put the interests of our customers first, providing a stable and consistent banking presence in metropolitan New York City neighborhoods and beyond while contributing to the quality of life in the neighborhoods we serve. As the largest state-chartered savings bank in New York offering a full range of retail banking services in all five boroughs; Long Island, Westchester and Rockland counties; and New Jersey, we manage more than \$16 billion in assets prudently and responsibly.

Apple Bank extends that commitment and care into a mindful and mission-based approach to promoting cultural and social progress while addressing the risks and opportunities of climate change. The bank's commitment to ESG brings many different departments together to improve our processes and frameworks and to develop strategies for responsible growth.

Strengthening our ESG efforts is core to Apple Bank. The Apple Bank board of directors, leaders, and staff invite you to join us as we continue to do our part to advance a more sustainable, equitable, and financially responsible future.



HONESTY AND INTEGRITY

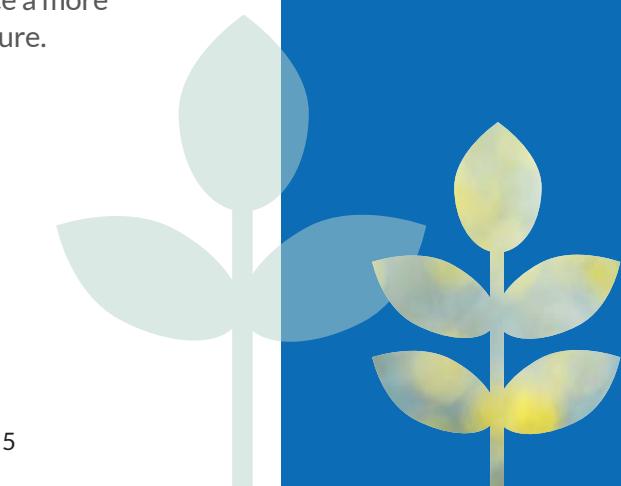
At Apple Bank, ethical behavior, honest interactions, and accountability are what we expect with each other and with our customers.

DIVERSITY, EQUITY, AND INCLUSION

At Apple Bank, we take a diverse, equitable, and inclusive approach to all aspects of our business, providing equal opportunities for success and advancement for our workforce and customers.

RESPONSIBILITY

At Apple Bank, we always strive to do our best to offer innovative products that our customers need, while maintaining a conservative risk-taking culture.





Since 1863, Apple Bank has been a stable and physical banking presence in New York City and its surrounding communities.

We seek to put the best interests of our customers first and to manage our company prudently and responsibly.



Steven C. Bush, Chairman, President,
and Chief Executive Officer

Deep Roots

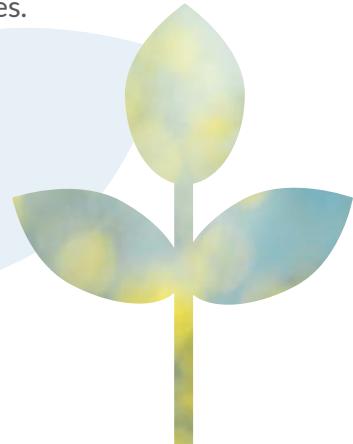
Welcome

Customer Trust and Loyalty

Our customers' trust, loyalty, and support are intrinsic to our success and are never taken for granted. We work to provide high-quality products, services, and technology suited to the diverse needs of our customers. We deliver our services so customers can bank their way—at a branch, by phone, or 24/7 via a desktop or mobile device. We continue to develop and enhance our products and technology to give our customers the resources they need to achieve their financial goals while protecting the security and privacy of their account information.

We are dedicated to neighborhood banking in our communities, and our bankers are here to help. They work and live locally, so they face the same challenges and opportunities as our customers and understand their priorities. Apple Bank's branch network of more than 80 locations extends from East Hampton to East Harlem, from Staten Island to upper Westchester and Rockland Counties, and into northern New Jersey. We are excited to have opened two new locations in Westchester and Rockland counties in 2021; another in Astoria, Queens in 2022; two in New Jersey in 2022; and one in Brooklyn in 2023.

Additionally, we are continuing to renovate and upgrade our facilities, including the replacement of our entire network of automated teller machines (ATMs) and the expansion of our online and mobile services for individuals and businesses.



Strength

In 2022, Apple Bank marked 31 consecutive years of uninterrupted profitability. Our prudent financial and risk management has enabled the bank to remain solidly profitable and maintain strong credit quality despite the challenges arising from the pandemic. Our balance sheet is composed of high-quality loans and securities, and our capital ratios are in excess of all regulatory requirements. As the largest state-chartered savings bank in New York, we had more than \$16 billion in assets and more than \$14 billion in deposits as of December 31, 2022.

Community

We have a direct interest in contributing to the quality of life in the neighborhoods we serve. We give back to our communities in ways that foster economic development and renewal. We provide sponsorships and donations to many local and regional organizations. We partner with community organizations on food drives, financial literacy, education, and multicultural programs. Many of our employees volunteer their time and talent in the communities in which they live and work.

Focused on the Future

After 160 years in business, we are ready to meet both the challenges and the opportunities to come. As the banking business becomes more centralized and depersonalized, we look forward to continuing in our own tradition of customer service and personal banking.

STEVEN C. BUSH

Chairman, President, and Chief Executive Officer

Commitment to Community

COMMUNITY PARTNERSHIPS

Asian Americans for Equality
Association for Neighborhood Housing Development
Brooklyn Public Library
Citizens Housing and Planning Council
City Harvest
The Housing Partnership New York City
Local Chambers of Commerce
Local School and College Financial Literacy Programs
Neighborhood Housing Services of New York
NY Legal Assistance Group
NY Mortgage Coalition
NYPD National Night Out Against Crime
Scout Troops
University Neighborhood Housing Program
and many, many more!

OUR VISION

Apple Bank offers the full range of professional banking services without ever losing focus on the lives and well-being of our customers, our staff, and our community. Our hearts are always in the neighborhoods where we live and work.

Continuing the proud heritage that began in Harlem in 1863, Apple Bank remains committed to core neighborhood banking. Apple Bank is an active mortgage lender in our region, covering both the multifamily and commercial property markets.

As part of Apple Bank's strategy for growth, we have been working to expand the reach and capabilities of the Consumer Banking Group by opening new branch offices, improving our digital platform, and investing in technology and solutions to improve service over the phone, at branches, online, and at our ATMs.

We work hard to meet the financial needs of our customers and strive to improve the quality of life in our communities. Every day, as we learn more about the impacts of what we do and the world in which we live, we work to ensure those impacts are positive. We look forward to a future filled with opportunity while always putting our customers' best interests first.

Apple Bank has been rooted in the community since 1863, and is committed to the needs of its customers by being convenient, responsible, and involved. We have a direct interest in contributing to the quality of life in neighborhoods we serve by supporting and strengthening the community through affordable housing, economic development, and revitalization.



1863 Harlem Savings Bank was founded in the northern Manhattan community of Harlem.



1983 Harlem Savings Bank changes its name to Apple Bank for Savings.



1989 Apple Bank expands into eastern Long Island by acquiring the historic Sag Harbor Savings Bank.



1990- Apple Bank continues to grow with other acquisitions and new branch openings
2000 in the five boroughs of New York City, Long Island, Westchester and Rockland counties, and northern New Jersey.



2013 Apple Bank's acquisition of 29 Emigrant Bank branches significantly expands our presence in greater New York.



2021 Apple Bank renews its program of branch expansion as the COVID-19 crisis begins to ebb.



2023 Apple Bank celebrates its 160th anniversary and forms its Diversity, Equity, and Inclusion (DE&I) Council.

Social Impact

2017-2021

AFFORDABLE
HOUSING

ECONOMIC
DEVELOPMENT/
SMALL BUSINESS

\$410M+

The Community Reinvestment Act (CRA)

is a federal law passed in 1977 that encourages financial institutions to help meet the credit needs of their entire community, including low- and moderate-income neighborhoods, consistent with safe and sound banking practices. We seek to understand the needs of our community to help us meet our responsibilities under the CRA.



COMMUNITY
SERVICES

COMMUNITY
REVITALIZATION



Community Roots

Our commitment to improving the quality of life in the five boroughs, on Long Island, in Westchester and Rockland counties, and in northern New Jersey isn't only professional. It's personal.

VIBRANT NEIGHBORHOODS

With more than 80 branches, Apple Bank has become a trusted neighbor, a highly visible beacon of financial stability and opportunity close to home. Especially in low- and moderate-income neighborhoods, our familiarity with people and businesses and our ability to assess the credit and financial needs of the marketplace allow us to offer financial educational services to these communities. At Apple Bank, we also extend prudent financing to help underresourced small businesses and hardworking families secure more promising futures.

Our focus on lending to support essential community needs, such as affordable housing, new retail space, and working spaces for social service and healthcare providers as well as arts and cultural organizations, further strengthens our close-knit community bonds.

WARM WELCOMES

New York has historically been the port of entry and preferred destination for many new arrivals to the United States. Since the 1930s, Apple Bank has prioritized providing financial services to historically underserved communities.

As new Americans continue to arrive on our shores, our commitment to providing affordable and flexible financial tools helps more people find their footing and support their families in their new homes.

48%

of our branches are either located in or adjacent to low- and moderate-income census tracts.



NEW NEIGHBORS

When Russia invaded Ukraine in February 2022, the number of Ukrainian refugees coming to New York increased dramatically. Area nonprofits and local citizens began working to help the more than 15,000 Ukrainian refugees arriving in the city and surrounding areas.

Serving refugee communities is part of our DNA, so it is no surprise that Apple Bank announced that all Ukrainian refugees were eligible to open accounts at our neighborhood branches. Knowing many families had fled the country under duress, the bank allowed more options for documenting residency. Our staff navigated language barriers and other challenges to guide applicants through the process with care.

Helping us in this cause is the nonsectarian lender Hebrew Free Loan Society, which also aims to help newly arrived Ukrainians resettle and build new lives through the power of interest-free loans as well as grants for basic expenses such as rent.



Commitment to Customers



APPLE BANK NAMED AS
AN EXIM 2021 LENDER OF
THE YEAR

APPLE BANK RECOGNIZED
WITH GLOBAL AIRCRAFT
FINANCING AWARD

OUR VISION

To meet the financial needs of our customers
and strive to improve the quality of life
in our communities

FREEING CUSTOMERS FROM FEES

Apple Bank seeks to put the best interests of our customers first and to manage the company prudently and responsibly.

In 2022, Apple Bank announced it would eliminate fees charged for checks and automated clearing house (ACH) transactions returned due to insufficient funds for both consumer and business accounts.

Additionally, the bank reduced the maximum number of overdraft fees a customer can incur. The bank also increased the daily overdraft threshold.

Aware of the disproportionate effect nonsufficient funds (NSF) fees have on the financial health of our customers, Apple Bank took action to:

- eliminate NSF fees when a transaction is returned on both consumer and business accounts,
- eliminate the \$2.00 point-of-sale fee when consumers use their Apple Bank ATM or Visa debit card to make a transaction with their personal identification number, and
- cap the number of overdraft fees imposed on a given day to a maximum of three.



Removing these fees reinforces our commitment to helping our customers overcome obstacles and utilize our extensive banking tools to better their financial health.

Pandemic Response

When the pandemic hit, Apple Bank was on the front lines of rapidly evolving health mandates. Knowing we provide critical financial services to our communities, we quickly found the safest ways forward for our employees and our customers.

SAFETY FIRST

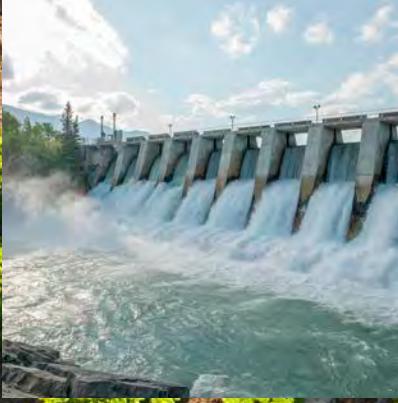
Through 2020 and beyond, Apple Bank provided employees and customers with pandemic-related guidance as well as a safe environment aligned with current COVID-19 mandates and all local, state, and federal regulations. Reopening neighborhood branches under the guidelines established in our COVID-19 Workplace Safety Plan allowed customers to access critical relief measures like COVID-19-related fee waivers and residential mortgage forbearance for families and Paycheck Protection Program loans for small businesses.

INDUSTRY CHAMPION

The impact of COVID-19 on commercial air travel was the equivalent of a crash landing. Many highly successful businesses suddenly found themselves in a precarious financial position almost overnight, putting good jobs and important products at risk.

One such company, business jet manufacturer Embraer Aircraft, needed a flexible source of working capital during the pandemic. Apple Bank worked with the Export-Import Bank of the United States (EXIM) and long-term partner AirFinance to devise an innovative solution to this and other pandemic-related funding challenges. Embraer Aircraft was recognized by EXIM for leading with confidence and creativity to protect an essential part of the worldwide economy during a time of crisis.





\$200M

FINANCED GREEN POWER PROJECTS—
EXTRAORDINARILY EFFECTIVE RENEWABLE
ENERGY INITIATIVES



5,101MW

OF APPLE BANK–FINANCED GREEN POWER
DELIVERED IN THE U.S., FROM HAWAII TO THE
HUDSON RIVER VALLEY

Environmental Investment

Sustainable Focus

Apple Bank's deep understanding of the complex financial needs of its commercial borrowers has enabled the bank to build a diversified and strategic loan portfolio that includes investing in a sustainable future.

The bank is involved in the commercial and industrial (C&I) lending space, while maintaining a robust NYC-centric commercial real estate portfolio. At its core, the C&I portfolio was built on aviation lending, but it has since shifted as the bank diversifies and refines its lending strategy.

This diversification, which is global in reach, includes investments in the environment for social change. The bank creates positive impact by delivering renewable energy, expanding commuter transit, and providing smaller loans to support microfinance in developing markets.

Apple Bank has financed large-scale and renewable energy projects in the United States spanning hydropower, geothermal, and wind energy. More than \$200 million

of those investments are for "green power." Green power is a subset of renewable energy representing those renewable energy resources and technologies, such as those listed previously, that provide the greatest environmental benefits, including zero emissions and carbon footprint reduction.

According to the U.S. Environmental Protection Agency, to qualify as green power, this renewable electricity must go above and beyond what is otherwise required by mandate or requirement. Renewable energy projects may not qualify as green power because of some environmental impacts but still provide critically important alternatives to conventional power, which typically rely on fossil fuels or other heavily emitting or polluting materials.



Apple Bank has financed large-scale and renewable energy projects in the United States spanning across hydropower, geothermal, and wind energy.



NEW YORK'S 2019 CLIMATE LEADERSHIP AND COMMUNITY PROTECTION ACT

New York state passed one of the country's most ambitious climate change laws to work toward net zero emissions. Specifically, the act enacted the following targets:

- A carbon-neutral economy, mandating at least an 85% reduction in emissions below 1990 levels by 2050, with the remaining emissions offset by reforestation and carbon sequestration, among other measures.
- The plan sets metrics to increase 6,000 megawatts of solar and 3,000 megawatts of energy storage by 2025, a transition to 70% renewable electric by 2030.
- By 2040, the law mandates zero-emission electricity.

Climate Action

Our renewable investments support the continued production, delivery, and construction of dedicated renewable energy of 5,101 megawatts in the United States.

These range from smaller projects, such as improvements to a 69-megawatt wind farm in Hawaii, to the 725-megawatt geysers in Southern California. Closer to home, we are supporting the upcoming Champlain Hudson Power Express project (CHPE), which will bring 1250 MW of hydropower to New York City from Lake Champlain in Quebec. CHPE will be the largest transmission project in New York in the past 50 years, one of the key projects allowing New York to meet its 2050 renewable goals under the Climate Leadership and Community Protection Act of 2019.

In addition, Apple Bank participates in green revolving loan facilities, which support investments in battery storage and diversified energy solutions. This includes decarbonization of truck transportation, electric charging, and large-scale renewable energy storage assets to support solar and wind projects in the southwest and western states.

Of course, having a green lending perspective is not limited to energy production or distribution. We support lowering emissions by expanding access to commuter transportation and providing financial services to one of New York City's water ferries and a national and intercity travel bus company. As Apple Bank's commitment to sustainability and climate action grows, so does our reach in lending to projects that better our environment here and abroad.

Apple Bank participates in green revolving loan facilities, supporting investments in battery storage and diversified energy solutions.

Renewable Solutions

The impact of our rapidly changing climate can be felt all over the world, as floods, wildfires, droughts, and rising seas destroy assets and displace people. Using lending tools to mitigate effects and advance solutions, Apple Bank is taking our long history of profitability and consistent stewardship to invest in a more environmentally resilient future.

CHARGING AHEAD ON CLIMATE

Pressing issues in our community today—from equity to just governance—converge in climate change, where the challenges and opportunities are not currently distributed equally among communities.

How can we protect our fragile ecosystems and communities on the front lines of environmental disasters?

How can we invest in smart solutions and new technologies like solar, wind, and biofuels in ways that ensure everyone can profit?

As the bank enters its fourth decade of consecutive profitability, we are well positioned to leverage our resources to finance solutions that work.

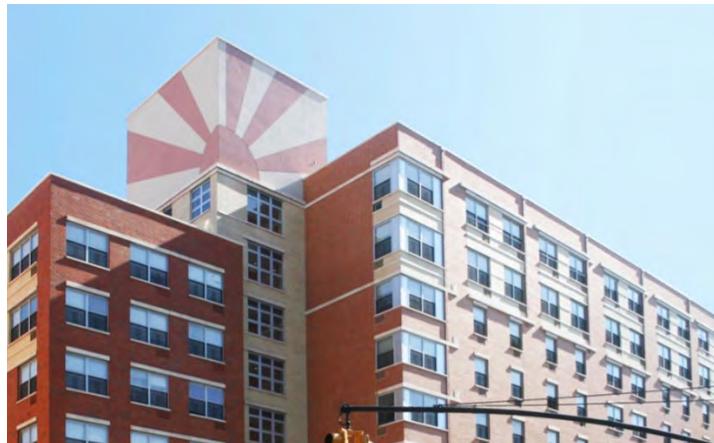
Apple Bank's community development lending seeks to do the following: reduce energy, seek out both renewable energy production and sustainable building design.



CRA and Other Commercial Investments for Social Change

COMMUNITY CAPITAL MANAGEMENT

Community Capital Management (CCM) manages approximately \$4 billion in impact investments, including CRA-qualified investments. CCM's mission is to deliver superior risk-adjusted returns through investment strategies that contribute to positive environmental and social outcomes. Apple Bank's investment in CCM helped finance several projects in majority minority census tracts in the Bronx and in Kings and Queens counties—many of them with green features.



LEFT A few of the buildings financed through Apple Bank's investment in CCM.



Apple Bank's commitment to social change and economic development also comes to life via the commercial lending and investments we make in housing and in small and medium enterprises locally, nationally, and globally.

INVESTING FOR THE FUTURE OF OUR COMMUNITIES

Locally, our social and economic development investments fall under our CRA lending program. CRA is a federal law that encourages financial institutions to help meet the credit needs of their entire community, including low- and moderate-income neighborhoods. We are so proud to invest in community development funds, which provide critical business financing to minority- and women-owned businesses and that build and invest in low- and middle-income housing, each in the communities we serve:

- Mizzen Capital is a certified women- and minority-owned Small Business Investment Company fund that primarily invests debt in U.S.-based lower-middle-market companies. Additionally, Mizzen Capital seeks to incorporate ESG issues into its investment analysis and decision-making processes. In 2021, Apple Bank invested \$2 million in Mizzen Capital, reflecting Apple's innovative and diverse investments.
- Apple Bank provides revolving credit facilities to community development financial institutions such as Acendum, Community Capital, and Habitat for Humanity.
- Apple Bank invests in the Community Development Trust and the Hudson Valley Preservation Group, LLC, a private equity fund developing low- to middle-income housing in our service areas.
- Apple Bank participated in a construction loan with the Leviticus 25-13 Alternative Fund, Inc., to build a new affordable housing project, Homes for Heroes in Rockland County, which provides housing for homeless veterans.

MICROFINANCING AROUND THE WORLD TO MAKE THE MAXIMUM IMPACT

Apple Bank's C&I team has a long history of investing in social change and empowerment around the world.

For more than 15 years, Apple Bank has worked with its partners World Business Capital and the United States Development Finance Corporation on microfinance initiatives, many focused on women entrepreneurs, who typically face barriers in starting and funding a business.

Apple Bank's investments in global microfinance lending portfolios, which currently total over more than \$100 million, support microfinance lending, which empowers underserved entrepreneurs in El Salvador, India, Moldova, Mongolia, Mexico, and Sri Lanka, and importantly, given recent global events and disasters, in Turkey and Ukraine.





APPLE BANK VOLUNTEER CAMPAIGN

In the summer of 2022, Apple Bank initiated its first comprehensive volunteer campaign to encourage and support volunteer service by all Apple Bank employees.

The first phase of the work plan focused on strengthening the internal infrastructure and external partnerships to support a robust volunteering program. Over six months, the CRA Department made improvements to its volunteer-tracking system and spearheaded the development of educational materials, including a new Volunteer Paid Time Off Policy. This policy states that Apple Bank employees are entitled to one day of volunteer paid time off during each calendar year.

Apple Bank volunteers have dedicated many hours to assisting youth/young adults from underserved communities with college or career readiness and personal finance. Moreover, Apple Bank employees have also worked with families from low- and moderate-income areas as volunteer tax preparers to prepare and file their returns at no cost.

Community Giving and Volunteering

We make a difference because we are local, responsive, and involved.

When an Apple Bank branch representative attends public events such as block parties, nonprofit fundraisers, chambers of commerce meetings, business improvement districts, and Rotary breakfasts, it's an opportunity to stay close to our neighbors. When an Apple Bank commercial real estate lender closes a loan to a mixed-use development in an underserved community, it supports essential services, businesses, and housing that can revitalize a block. When an Apple Bank accounts payable employee processes a check to fund a local nonprofit's activities, we are contributing to a diverse and essential community support system:

- We give back to our communities in ways that foster economic development and renewal.
- We provide sponsorships and donations to many local and regional organizations.
- We partner with community organizations on food drives, financial literacy, education, and multicultural programs. Many of our employees volunteer their time and talent in the communities in which they live and work.
- We have a long-standing relationship with Ohel Children's Home and Family Services, and we are proud to be a partner in its mission to improve the quality of life for so many of our communities.

Apple Bank recently instituted a new policy allowing employees paid time off for community volunteering, and we are already seeing our CRA impact grow.





Since January 2022, Apple Bank employees have logged more than 1,330 hours of volunteering in their local communities.

Risk Department Volunteers at GrowNYC's Teaching Garden on Governors Island

The Risk Department marked the end of its successful pilot mentorship program with an afternoon of giving back to the community that Apple Bank is proud to serve. On April 5, 10 members of the Risk Department, along with representatives from the Hanover branch and the Commercial Mortgage, Real Estate Valuation & Advisory, and Commercial Credit divisions, volunteered at GrowNYC's Teaching Garden on Governors Island.

GrowNYC is a nonprofit dedicated to improving quality of life through environmental programs such as building green spaces, offering food access through farmers markets, and providing environmental education for children, most notably through its Teaching Garden. The Teaching Garden, a one-acre farm that welcomes school groups from across the five

boroughs, affords children the opportunity to plant, water, harvest, and cook the garden's wide array of fruits and vegetables.

Volunteering at GrowNYC provides a unique and meaningful experience to benefit the NYC community. As the garden prepared to reopen for the season on May 1, Apple Bank volunteers dedicated their afternoon to help restore the garden for the new harvest. One group diligently removed weeds entwined in the farm's perennial strawberry patch to ensure a new healthy supply of strawberries for the season, while another group was hard at work weeding and putting compost on the farm's flower beds.



You can be a
skills-based
volunteer!

Since the start of 2022,
over 74
volunteers donated over
2,000
hours of their
time and expertise.

These Apple Bank All Stars
are planting the seeds for
a more caring and
resilient community—
one service at a time.





Achieving
Equality

Diversity, Equity, and Inclusion

Apple Bank serves some of the most diverse neighborhoods in the world, and we recognize that resources and opportunities have not always been shared equally among them. We are actively working to advance a more just economic system that works for everyone.

APPLE BANK DE&I PROMISE STATEMENT

Apple Bank is committed to constantly fostering an environment that promotes DE&I for its employees and the individuals and business that it serves.

Our commitment to DE&I will always remain unwavering, because advocating for a diverse, equitable, and inclusive environment positively impacts Apple Bank and its staff, but most importantly, also the customers and communities the bank works with on a daily basis. Both the Apple Bank board of directors and staff are steadfast in their support for increased economic opportunities and advancement for all individuals, regardless of race, gender (including gender identity),

sexual orientation, ethnicity, age, disability, national origin, or religious belief.

Therefore, Apple Bank, through its employees and board of directors, promises to empower those who strive to support a diverse, equitable, and inclusive society.

Through ongoing efforts, Apple Bank will remain committed to helping its employees and the communities it serves achieve a high standard of DE&I that future generations can be proud of.

RIGHT Jeffrey Herbert, General Counsel





Ongoing Efforts

Apple Bank has been and will continue to be a strong advocate of DE&I in the communities it serves.

APPLE BANK DE&I COUNCIL

Creating a work environment that ensures continued equal access to opportunities for professional growth and development.

Continuously developing cultural competence and responsibility.

Creating a platform for overseeing and assessing the effectiveness of Apple Bank's DE&I efforts and introducing changes when needed.

NEW ROCHELLE BOYS & GIRLS CLUB

Apple Bank is also a key supporter of the New Rochelle Boys & Girls Club (NRBGC), which has two clubhouses and 10 school sites throughout Westchester County, New York.

In 2023, Apple Bank provided a grant for the building and furnishing of NRBGC's new Remington Clubhouse, along with a commitment to provide additional grants for the next three years.

At the Remington Clubhouse, where more than 96% of the kids are from minority races and ethnicities and more than 71% qualify for free or reduced school lunch, NRBGC participants will have a place where they can receive after-school tutoring; participate in science, technology, engineering, and math programs; receive college application and admissions counseling, participate in community service projects, and learn healthy lifestyle habits.





At Apple Bank, we believe that it is critical to have a diverse set of people and voices in the room where critical discussions are occurring and important decisions are being made.

LONG ISLAND RACIAL EQUITY FUND

Since 2020, Apple Bank has been a partner, along with other foundations and financial institutions, in the Long Island Racial Equity Fund (LIREF).

The LIREF supports innovative community-based initiatives, funds the provision of technical assistance to nonprofits, and supports Black-led nonprofit programs and projects that create economic opportunities.

To date, the LIREF has awarded more than \$400,000 to Long Island nonprofits focused on addressing racial wealth inequities.

LEGAL DIVERSITY INTERNSHIP

Apple Bank's Summer Legal Internship Program, in conjunction with the NYC Bar Association, hires two first-year law students from underrepresented backgrounds to work side by side with bank lawyers for 12 weeks, and it helps program graduates secure other internships or full-time employment at leading law firms, corporations, and government agencies.

To that end, Apple Bank's board of directors has women representing more than 25% of the board members.

Additionally, our Senior Executive Management Committee, which is the most senior decision-making management committee of the bank, is comprised of more than 40% women and minorities.

Fifty percent of Apple Bank's Executive Management Council, which advises our Senior Executive Management Committee, is represented by women and minorities.

Apple Bank's Executive Management Council, which advises our Senior Executive Management Committee, has 50% of its members represented by women and minorities.





Financial Inclusion and Asset Building

FINANCIAL LITERACY INSTRUCTION

Financial literacy instruction deals with addressing economic barriers and access to equity as well as financial inclusion of low-to-moderate-income individuals and families. Since 2019, Apple Bank employees facilitated 30 classes, with many of these being completed remotely during the COVID-19 pandemic. These classes focused on educating members of the community on financial literacy matters and reflected Apple Bank's vision of developing a more sustainable society.

Racial Inequities

NEW YORK MORTGAGE COALITION

New York Mortgage Coalition (NYMSC) is a nonprofit organization focused on expanding the opportunity for responsible and sustainable homeownership to minority and low- and moderate-income individuals and families in NYC and its surrounding areas. Apple Bank provided technical assistance in NYMC's Appraiser Training Program. This program functions to diversify the appraiser field as a way to secure more representation in the field from all neighborhoods as well as create wealth in communities of color by encouraging the establishment of family appraisal businesses.

LEVITICUS FUND

The Leviticus 25-13 Alternative Fund Inc. is a nonprofit community development financial institution focused on supporting affordable housing. Leviticus recently launched the Empowering Diverse Real Estate Entrepreneurs, which provides a more flexible, targeted approach focused on the intersection of racial and economic equity by delivering early or equitylike capital to minority businesses, families, and communities.





Physical Disabilities

HEARING LOSS ASSOCIATION OF AMERICA

The Hearing Loss Association of America sponsors the Walk4Hearing to bring attention to hearing loss and promote the importance of hearing health. Apple Bank is a supporter of this great event.

VISIONS—SERVICES FOR THE BLIND AND VISUALLY IMPAIRED

VISIONS is a nonprofit vision rehabilitation and social service organization. Its purposes are to develop and implement individualized programs to assist people of all ages who are blind and visually impaired lead independent and active lives, and to educate the public to understand their capabilities and needs. This organization is one of Apple Bank's grantees.



Mental Health

VCS, INC.

VCS saves lives every day by providing counseling services and mental health treatment with an anti-racist, social justice mission. Working collaboratively with the community, VCS identifies and fills gaps in services with programs in behavioral healthcare, training, and advocacy for those most in need. Apple Bank is a financial supporter of this tremendous organization.



Food Insecurities

STOCKING FOOD BANK SHELVES CITYWIDE

In early 2020, Apple Bank gave donations to food distribution centers located throughout Apple's CRA assessment area. Apple Bank made \$75,000 in grants to many local food banks, including, Community Harvest, Food Bank for New York, Island Harvest, Feeding Westchester, People to People, and Meals on Wheels. For years in NYC, Apple Bank branches have supported many community food associations.



Annual Employee Survey

Apple Bank empowers employees to speak out and speak up as they serve our customers.

How can we do better? How can we help them do better?

Now in its second year, our comprehensive annual all-employee survey continues to yield valuable insights. With a 75% participation rate and in-depth, granular data, managers know when to take action and can better target resources.

Our favorite statistic is that 83% of employees consider themselves “engaged” or “highly engaged” in their work.

Apple Bank’s leaders have taken those insights seriously; for example, the bank expanded options in its benefit plans in direct response to the desires of its employees expressed in the surveys.

Employee Engagement

At Apple Bank, we are listening to our employees, increasing opportunities for professional development, and expanding benefits to make sure everyone feels safe and secure and can engage with the organization.

SUMMER INTERNSHIP EXPERIENCE

A partnership between the Talent Acquisition Team and Corporate Learning sparked exciting improvements to the Apple Bank Summer Internship Experience.

We admitted our third class of interns to this highly selective program in 2023, having received 2,400 applications for 12 summer positions.

This 12-week program features a full week of onboarding and team development, opportunities to meet with senior leaders, meaningful work at the department level, and a group capstone project delivered directly to Apple Bank’s senior leadership team.





COMPASS LEADERSHIP DEVELOPMENT

Apple Bank established its first-ever leadership development program for employee managers and process leaders in 2020, successfully training 140 COMPASS graduates who are already inspiring their teams and impacting our company culture. In 2023, COMPASS will focus on the retail organization, with more than 120 branch management staff scheduled to discuss real-world concepts, learn from each other, and act as peer mentors.

ABA STONIER SCHOOL FOR BANKING

Apple Bank partnered with the ABA Stonier Graduate School of Banking, the only banking school leveraging Ivy League faculty, for leadership development, to help develop our next generation of leaders. After a selective admissions process followed by three summer sessions and a capstone project, our first graduates of this rigorous program will earn their Stonier Graduate School of Banking diploma and a Wharton Leadership Certificate in 2023.

MENTORING

Over the past two years, Apple Bank has successfully piloted in-department mentoring programs. Insights from the pilot projects will inform our upcoming bankwide program pairing junior officers with volunteer senior officer mentors. Structured engagements include a dominance, influence, steadiness, and compliance communications styles assessment, weekly conversations, and the opportunity to focus on individual competency development.

ABLE TRAINING LIBRARY AND THE LEARN & EARN PROGRAM

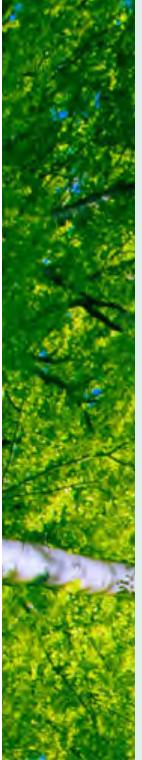
The Apple Bank Learning Experience (ABLE), our online learning library with thousands of courses available to any employee, teaches software and professional development skills.

Monthly topical highlights typically include one program on personal development and one on DE&I.

RIGHT Susan Goro, Chief Human Resources Officer

Our favorite statistic is that 83% of employees consider themselves engaged or highly engaged in their work.



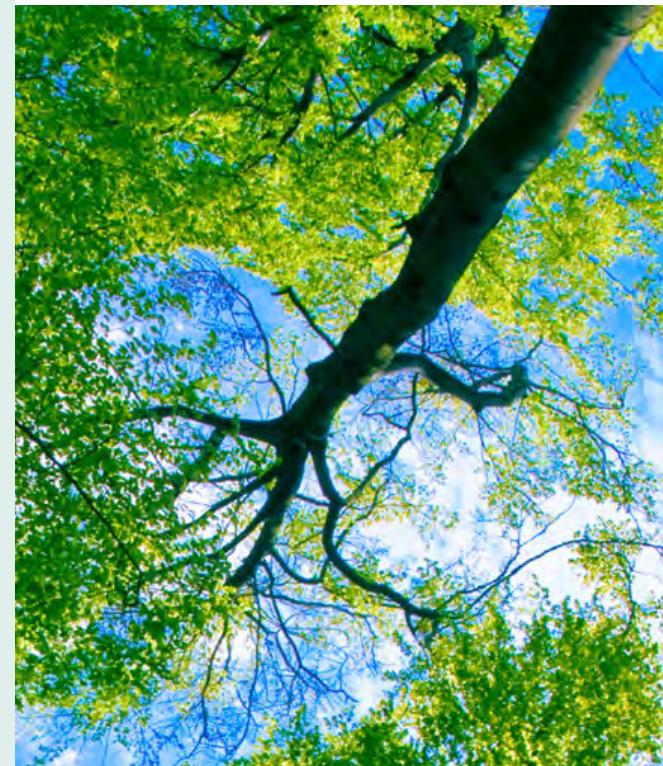


ACCOUNTABLE TO YOU

We are keenly aware of the trust placed in us by our customers, shareholders, employees, the communities we serve, and our regulators, and we are committed to building long-term value in a responsible way, with integrity, accountability, and transparency.



Responsible Governance



Solid Ground

Strong corporate governance sets the foundation for a sustainable, well-governed organization positioned for long-term success.

Our governance structure is led by a dedicated board, comprised of directors with diverse experiences, skills, and backgrounds. The board oversees a committed Senior Executive Management Team. Together, they set the tone for open and honest communication and ethical decision making. A mature risk management framework with sound policies and procedures drives how we operate and execute on our strategies.

BOARD OF DIRECTORS

The Apple Bank board of directors offers oversight and guidance to our executive management team as they develop corporate strategy, risk management protocols, our corporate culture, and other core components of our business. Our board is comprised of 14 members, 25% of whom are women, and eight standing committees. Our board members are actively involved, with 85% sitting on at least two board committees. The board's continuous focus on board composition is reflected in the appropriate mix of long-serving and new directors. Since 2019, we have had five new directors, and three new women directors.

Each year, the board and its committees conduct annual self-assessments to evaluate their own practices and consider areas for change. In fact, 100% of board members completed the self-assessments and provided thoughtful observations. Continuing board education is an important element of our board governance. All board members have access to a bank director governance platform, where relevant articles and trainings are available, and they attend director conferences when possible. Additionally, educational sessions on a variety of topics are provided to our board of directors on a routine basis. In 2022, these sessions included cybersecurity, the Community Reinvestment Act, the economic landscape, fair lending and other laws, and other regulatory topics.

BOARD COMMITTEES

Corporate Governance and Nominating Committee reviews and selects candidates for nomination to the board and oversees committee composition and board compensation.

Operations and Technology Committee oversees the bank's key operations, technology programs and strategies, and facilities.

Anti-Financial Crime Committee oversees the bank's anti-financial crime framework, including maintaining effective anti-money laundering, anti-bribery and corruption, Patriot Act, and sanctions compliance programs.

Human Resources and Compensation Committee oversees our CEO's performance, executive compensation, management succession planning, employee development programs, employee benefits plans, and workplace culture.

Audit Committee oversees the bank's internal audit function, including its governance, risk management, and internal control practices; external audit activity; and financial statements and reporting.

Risk Committee oversees the development and administration of the bank's risk management framework.

Real Estate Loan Committee provides oversight over the bank's real estate lending operations.

Investment and Loan Committee provides oversight over the commercial and industrial lending operations and investment activities.

Managing Risk



SENIOR EXECUTIVE MANAGEMENT

The Apple Bank Senior Executive Management Team is comprised of nine members. It is supported by an Executive Management Council, which provides feedback and insights that help inform effective decisions.

Our senior managers are experienced professionals and include expert bankers who live in the communities we serve and have an in-depth understanding of individuals' and businesses' banking needs.

By identifying properties and assets most vulnerable to the effects of climate change, Apple Bank can better steward its financial resources and target our sustainability efforts.

MITIGATING OUR ENVIRONMENTAL RISKS

Our focus on climate change mitigates potential liability from adverse environmental issues when reviewing new and existing loans. Our lending officers focus on climate concerns throughout the approval process, looking for responsible and meaningful ways to protect people, property, and potential returns. Through rigorous site inspections, increasing reserves for building improvements, measuring building Energy Star scores, checking on capital improvements, and mapping our portfolio to Federal Emergency Management Agency flood data, due diligence delivers an additional level of responsibility and sustainability to all commercial loans.

Apple Bank has also implemented an Environmental Risk Program to address potential liability resulting from environmental issues for all lending activity. As the bank executes its ESG strategies, we capture and review meaningful data to refine our approach and inform our strategic planning efforts. Environmental risk and climate change are emergent issues engaging our industry as a whole, and Apple Bank takes pride in our proactive approach to managing one of the most pressing issues of our time.

TRACKING OUR CARBON FOOTPRINT

Sunpower reports track Apple Bank branch and building energy conservation and carbon footprint reduction throughout the course of the year.

Code of Conduct

We know how many people are counting on us. Our rigorous Code of Conduct ensures we deliver.

ETHICS

When the stakes are high, our team shines. Keenly aware of the trust placed in us by customers and shareholders and of our critical fiduciary responsibilities, Apple Bank adheres to the highest standards of professional and personal ethics across our entire organization. Our company-wide Code of Conduct ensures a culture of accountability. It is reviewed by our board annually, and employees are required to affirm their review and acceptance on an annual basis.

Through ongoing training and reinforcement, employees at the bank are expected to understand their personal and professional responsibilities regarding conflicts of interest; accepting gifts or entertainment; dealing with service providers, personal finances, and investments; and treating all employees and customers equitably and respectfully. Our employees can report violations of our Code of Conduct either directly to our ethics officer, or to our

board chairman or Audit Committee chairman in certain instances. Employees can also report such violations through the bank's Ethics Hotline, which is managed by a third party. All such reports are investigated, and conclusions reviewed with our Board Audit Committee.

SUCCESSION PLANNING

We understand the importance of succession planning and its impact on the smooth operation of our business. The Human Resources and Compensation Committee of our board annually reviews, evaluates, and provides development advice to our CEO, and reviews and oversees our management succession plan.

We are focused on leadership development and making sure our managers are in a position to reach their full potential. Our senior leadership members belong to industry groups and associations and routinely attend conferences to stay abreast of current issues in their practice areas.





POWERFUL PRIVACY PROTECTIONS

Handling sensitive customer data appropriately is core to operational security at Apple Bank. We care deeply about professional integrity and maintaining public trust.

Our Privacy Program aligns our business objectives and goals with regulatory compliance.

The accountability framework within the program engages every member of our team in actively protecting important data from exposure and exploitation, using policies and protocols developed by our Privacy Office.

Apple Bank wants all customers to know that we safeguard their personal information as rigorously as we protect their financial resources.

Digital Vigilance

Apple Bank prides itself on providing flexible digital financial tools our customers enjoy. We are even prouder of our ability to keep use of those tools safe and secure.

STANDING STRONG ON CYBERSECURITY

More than 60% of global financial institutions were hit with a cybersecurity attack in 2022.

The massive growth in remote work, a rise in ransomware, and sophisticated phishing attacks continue to expose and exploit vulnerabilities in online data. Apple Bank anticipates, assesses, and addresses these risks through our rigorous information security program.

Overseen by our Information Security team, the bank utilizes advanced tools and sophisticated processes to govern, identify, detect, protect, respond to, and recover from emerging cyber-risks encountered throughout the bank's operations and organization.

The Information Security Team updates senior managers and the board and provides training and raises awareness for employees and customers. Cybersecurity is also a critical component of the bank's risk management strategies.

More than 60% of global financial institutions were hit with a cybersecurity attack in 2022.

Smart Growth

Nothing ventured, nothing gained. Apple Bank knows smart and strategic risk-taking is how we grow, and we know our shared values drive sound and successful decisions about risk governance and management in a rapidly changing world.

Constant vigilance. Open communication. Keen insight, rock-solid research, and value-driven decision making. Apple Bank's team has the right tools in place to balance risks and rewards and make profitable decisions under pressure.

GUARDRAILS FOR GROWTH

Apple Bank's formal Risk Management Framework supports a consistent bankwide approach to risk management across our entire organization. It establishes bankwide roles and responsibilities, defines risk appetites in core businesses, and outlines organizational standards and protocols. The framework provides the bank, including senior managers and its governing bodies, with a consistent mechanism for categorizing the materiality of risks.

Apple Bank undertakes ongoing assessments of our most significant risk exposures and outlines mitigation measures so the bank can always act proactively and with proper controls in place.

The risk appetite statement prioritizes honest and open communication about risk among internal and external stakeholders, helps raise risk awareness across the organization, and supports the board of directors and senior managers in planning, formulating, and executing strategic business decisions to achieve the long-term targets of the bank. Senior managers continuously monitor and align the bank's risk profile with the risk appetite statement and the bank's portfolio.

RIGHT Jonathan Brickman, Chief Financial Officer

Apple Bank's team has the right tools in place to balance risks and rewards and make profitable decisions under pressure.





CELEBRATING 160 YEARS

The summaries provided in this report reflect Apple Bank's current approach to environmental, social and governance oversight and are subject to change by Apple Bank's managers at any time without prior notice. References in this report to ESG, DE&I, sustainable investing or Investments, or similar other terms are references to Apple Bank's internal use of such terms and not to any jurisdictional specific definition of such terms.

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