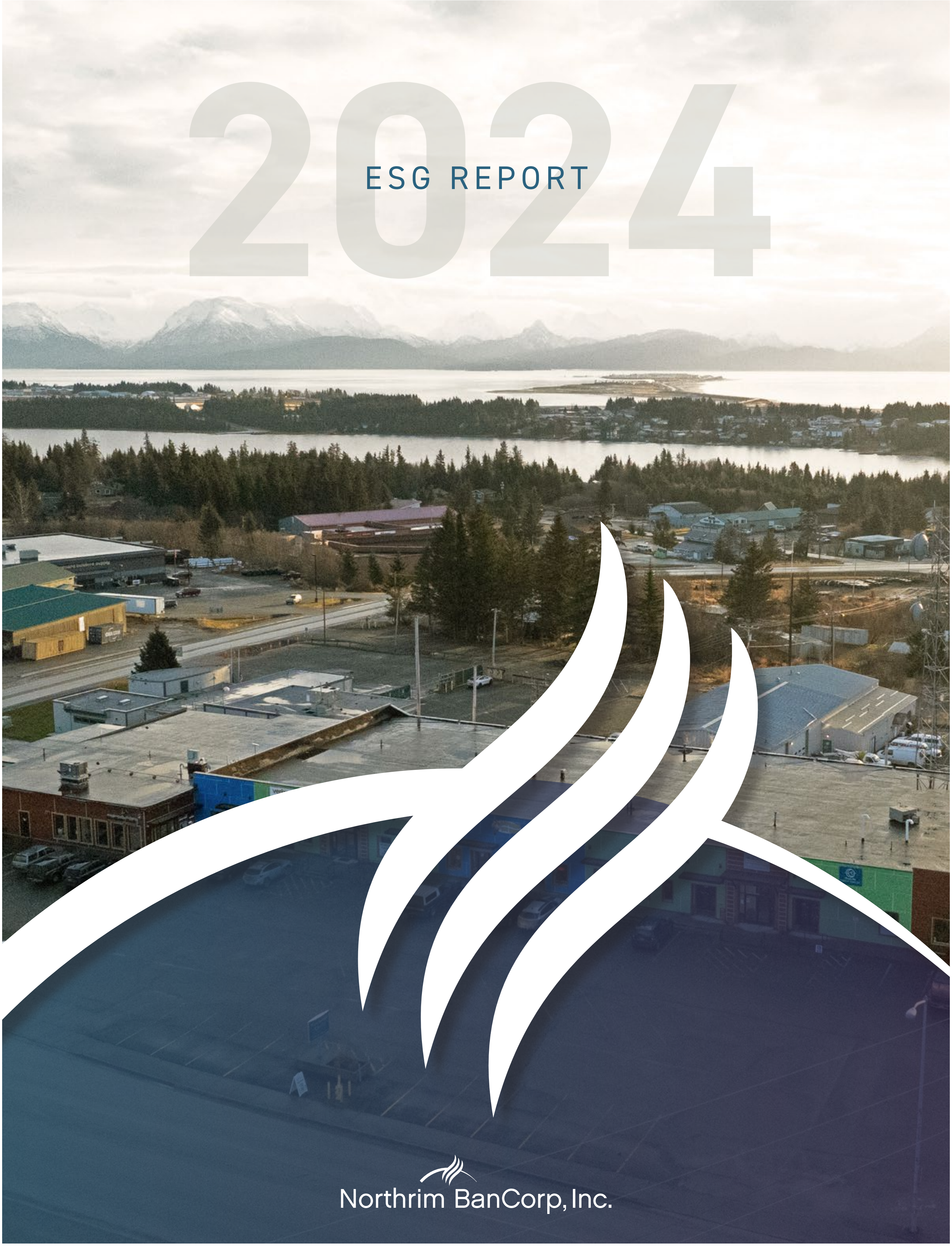
2024

ESG REPORT



Northrim BanCorp, Inc.

MISSION

To Be Alaska’s Most Trusted Financial Institution

We are committed to adding value for our customers, communities and shareholders.

VISION

To Be Alaska’s Premier Bank And Employer Of Choice

We will be a leader in financial expertise, products and services, focused on continuous improvement and market growth.

VALUES

Proud To Be Alaskan

We are Alaskan managed. We embody Alaska’s frontier spirit and values, and strongly support our communities.

Superior Customer First Service

We have a sincere appreciation for our customers. We want to build lasting customer relationships through professional, prompt and caring service.

Growth

We look for growth opportunities for our customers, our institution and our employees. We strive to be better, personally and professionally.

Integrity

We are trustworthy, reliable and ethical, and provide our customers with secure, confidential services.
We do what is right.

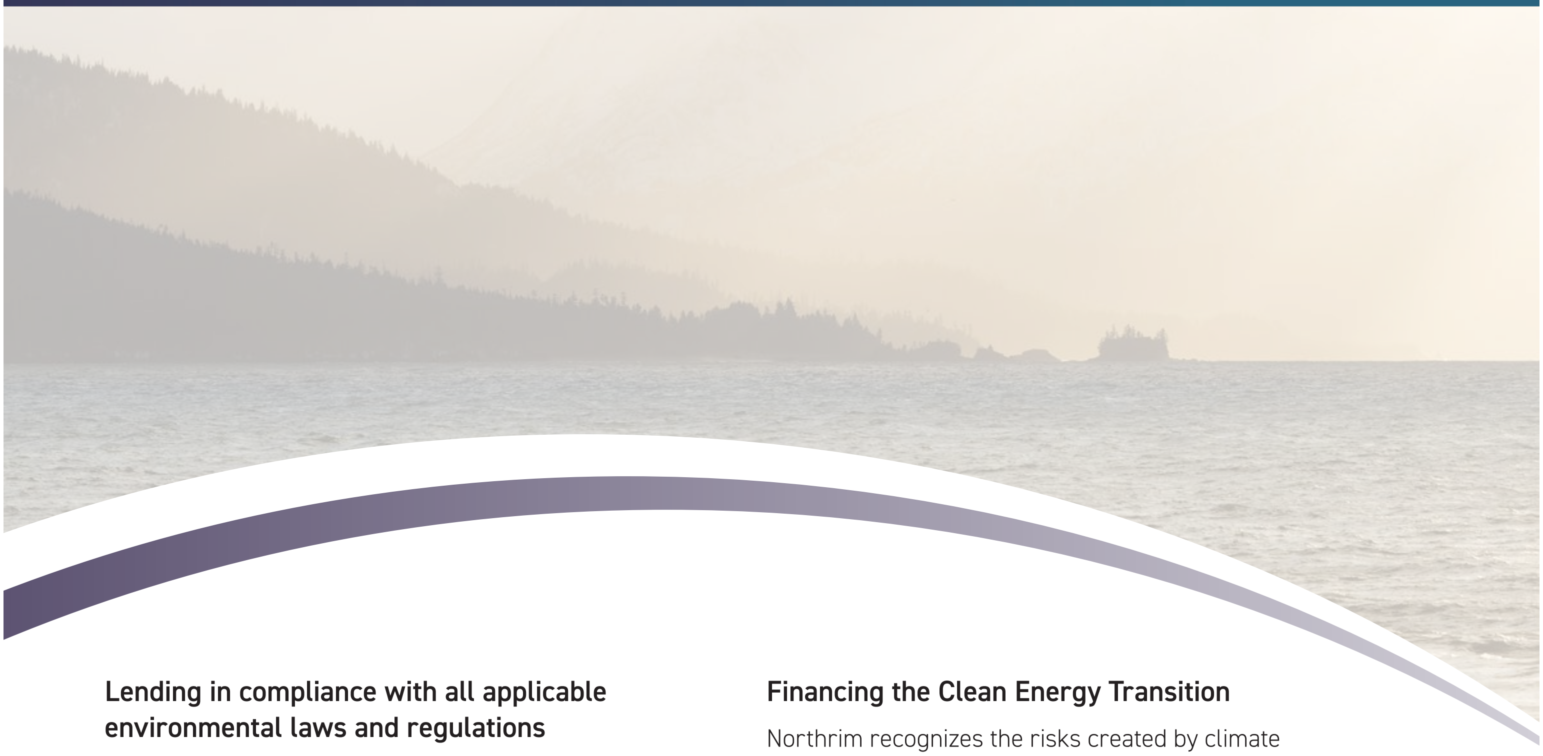
LETTER FROM CEO

At Northrim, we are a strong, independent, local bank with community and customer service at our core. To achieve our mission of being Alaska's most trusted financial institution, we are committed to doing what is right for our customers, employees, communities and shareholders.

I am pleased to share with you our 2024 environmental, social and governance (ESG) report that highlights our continued hard work and achievements. We have built a strong foundation in these areas and remain focused on continually enhancing these practices. We invite you to read more in the report below.

MIKE HUSTON
President and CEO
Northrim BanCorp, Inc

ENVIRONMENT



Lending in compliance with all applicable environmental laws and regulations

When property is involved in a lending transaction, whether used for a real estate business or as collateral for commercial and industrial lending, Northrim Bank is committed to complying with all applicable environmental laws and regulations. For example, before a lending transaction takes place, the bank receives a property questionnaire regarding current and historical compliance with environmental laws, including groundwater and/or soil contamination, the presence of asbestos, etc. Other inspections or tests may also be performed. The final lending documentation includes an environmental agreement obligating the borrower to comply with all applicable environmental laws and regulations, committing the borrower to cure any violations and notifying Northrim should there be a breach.

Sustainability Master Plan Project

In 2023, Northrim received a building recommendation report on its main headquarters building in Anchorage, Alaska (MFC) which encompassed Green Building Modifications. The Bank is moving forward with a number of recommendations identified in this report. The initial phase will address upgrading primary systems such as the boiler, generator and electrical.

The goal of Northrim's Sustainability Master Plan is to address revitalizing the aging infrastructure of our 50 plus-year-old headquarters building. Some of these projects encompass equipment replacement due to age, implementing energy efficiencies and sustainability in the event of a catastrophic natural disaster.

Financing the Clean Energy Transition

Northrim recognizes the risks created by climate change and we are working to be part of the solution. To accelerate the transition to clean energy, we have been actively engaged with the C-PACER program (Commercial Property Assessed Clean Energy & Resilience) in Alaskan communities to drive energy improvements and create energy jobs. By facilitating the financing of energy improvements and renewable energy in Alaska, we are doing our part in accelerating the clean energy transition while building greener, stronger communities. In Anchorage, C-PACER is administered by the Municipality and provides flexible financing solutions for new, ongoing, or recently completed commercial real estate projects including two hotel development projects that Northrim was involved in. The Courtyard by Marriott Midtown Anchorage, a four-story, 141-room hotel will incorporate C-PACER-funded energy efficiency measures to enable the hotel to operate with a reduced carbon footprint and lower operating costs. The Aviator Hotel, a 250-room hotel currently being renovated in the heart of downtown Anchorage, Alaska is utilizing C-PACER funds to support the renovation and upgrades of the 1970s-era hotel that had most recently been used as transitional housing into a Class A hotel.

In 2024, Northrim purchased a Green Energy tax credit, which were generated by a solar project located in the lower 48. These tax credits benefit both the owners of the projects that provide green energy and investors of the energy tax credits they generate.

SOCIAL

Diversity, Equity, and Inclusion (DEI)

At Northrim, we value all of our 485 employees. We strive to ensure a respectful, diverse, and inclusive environment and experience for all our employees. We support and cultivate an open and respectful environment where everyone can actively contribute, have equal access to opportunities and resources, be themselves, and realize their potential. This is reflected in our policies, which encourage individual values, strengths, and protections to provide gender diversity and equality in the workplace and are reinforced through our annual anti-harassment and diversity training. We believe that through these efforts, our relations with our employees are highly satisfactory.

Table 1: Employee Diversity Identification by Employee Category

Employee Category	Women	Men	Racial Minority	Disability	Veteran
Full-Time Equivalent	65%	35%	35%	4%	2%
Executive and Senior Management	39%	61%	10%	6%	6%
Board of Directors	31%	69%	23%	8%	8%

We also emphasize inclusion through our hiring and compensation practices. As an Equal Opportunity and Affirmative Action Employer, we consider a pool of diverse candidates for open positions and internal advancement opportunities and treat all our applicants with the same high-level of respect regardless of their gender, ethnicity, religion, national origin, age, marital status, political affiliation, sexual orientation, gender identity, disability or protected veteran status. We also actively engage with various social service, educational and government organizations that promote diversity, disability and veteran hiring.

We do not ask potential candidates about their current or previous compensation during the hiring process, and we incorporate equal and fair pay reviews into every employment compensation decision to address issues related to pay discrimination. Our annual Affirmative Action Plan continues to focus our DEI efforts on increasing the number of veterans and persons with disabilities in our workforce.

Employee Benefits

Northrim provides for a strong work life balance, including generous paid time off and paid parental leave for all Northrim Bank and Residential Mortgage employees. Benefit offerings include education reimbursements that match the maximum amount allowed under the IRS limit to encourage our employees' ongoing education. For those employees who have additional leave needs, Northrim offers an additional voluntary short-term disability plan. Diversification of some of our benefit options now allows employees more choice in the benefits that best meet their needs.

An exciting benefit that we added in 2024 was the addition of a new health insurance options, including a zero-premium option. Other changes that were made in 2024 related to enhancements to the sick leave and PTO policies, as well as increases to the Company's 401(k) match.

Training

At Northrim, we believe that well-trained and highly motivated employees are better able to understand and fulfill customer needs and preferences, which are key to providing our "Superior Customer First Service". Our current company-wide employee training program focuses on Northrim's culture, Superior Customer First Service, general sales skills, and various technical areas related to job function. We also ensure that our employees complete all necessary consumer compliance trainings. Employees are required to read the Employee Handbook, Code of Conduct, as well as our Information Technology policies annually. We continue to enhance our employee training annually and celebrated the most recent graduating class of our Management Training Academy in 2024.

Employee Health and Wellness

We understand the importance of prioritizing our employees' health. We offer a comprehensive benefits plan for our employees that includes medical, dental, vision and prescription drug insurance, preventive healthcare benefits, and employee assistance programs for mental health, among others. Additionally, we assist our employees with setting up ergonomic offices upon request, such as providing a standing desk, to promote employee health and wellness.

We have developed a robust Wellness Program that includes access to Noom, a platform that helps employees achieve their personal mental and physical health goals. Northrim also sponsors wellness events such as 5K walks/runs, as well as team sporting events to encourage wellness and team building. Additionally, Northrim provides access to The Dome athletic facility and annual State of Alaska Park passes to all employees to encourage them to get outside, be healthy and explore nature.

Volunteering and Employee Giving

We actively support employees taking part in a variety of community activities, and we provide community volunteer opportunities during work hours. Employees are encouraged to serve in leadership roles with nonprofit organizations and to share their expertise in the community.

In 2024, Northrim employees volunteered over 2,900 hours in their local communities. Some of the areas where our employees have supported their community include:

- **Teach Children to Save.** Teams of employees help students learn the importance of saving for the future through the American Bankers Association (ABA) Teach Children to Save program.
- **School Business Partnership.** Employees work closely with neighborhood schools to encourage students to become engaged in their community and school.
- **Financial Literacy Classes.** Our financial literacy classes at local nonprofits provide an underserved community with critical lessons in establishing credit, saving and budgeting.
- **Paint the Town.** Employees volunteer to paint the home of an individual or family through the popular annual NeighborWorks' Paint the Town event.
- **United Way.** Since the Bank was founded, Northrim and our employees have contributed over $2 million to support United Way. In 2024, employees participated in the annual United Way Campaign and pledged $162,000 in support of local communities throughout Alaska and in Washington State. This total includes direct donations from employees and Northrim's 50 percent match for employee gifts to United Way.

Community Giving

As a local, community bank, Northrim takes its commitments to Alaska very seriously and we pride ourselves in taking an active role in building the communities we serve. Improving the economic vitality and quality of life where we do business is in the best interest of our customers, our employees, our company and our industry. We are committed to sharing our time, talents and other resources to meet community needs.

We focus our giving so we can make meaningful contributions, measure the results of our contributions, and work more closely with the organizations we support. Our focus areas are:

- Community and economic development
- Programs to strengthen low-income families
- Health and wellness programs that support healthy communities
- Higher education through the State of Alaska Education Tax Credit Program

In 2024, Northrim Bank contributed over $1,065,000 to organizations throughout Alaska. Some of these key organizations included the United Way, University of Alaska Foundation, Camp Fire Alaska, Alaska Native Heritage Center, Anchorage Economic Development Corporation and Housing Alaskans, a Private Public Partnership.

Community Reinvestment Act (CRA)

We are committed to serving the needs of our entire community, including small businesses and low- and moderate-income areas. This is reflected in our most recent rating completed by the Federal Deposit Insurance Corporation (FDIC) in May 2023, where we received a Satisfactory CRA rating.

To meet the banking needs of Alaskan communities, we opened a branch in Homer, Alaska in 2024. Now with 20 branches and combined with our wholly-owned mortgage brokerage company, Residential Mortgage Holding Company, LLC, 90 percent of Alaska's population has an office accessible to their community.

Northrim Bank is proud to offer a new checking account, Easy Banking, to provide a safe, affordable personal banking account to those who lack adequate access to traditional financial services. The goal of this account is to ensure that everyone has access to safe and affordable financial products and services. The Bank On National Account Standards identify 25 critical product features for appropriate bank or credit union accounts, making it easier to connect consumers to accounts that meet their needs. Easy Banking has been officially certified by the Cities for Financial Empowerment Fund (CFE Fund) as meeting the Bank On National Account Standards for safe and affordable transaction accounts. Northrim is the first and currently the only Alaska-based financial institution to receive this certification.

Affordable, Low Income and Workforce Housing

Accessible housing continues to be a critical need throughout Alaska. Northrim works with nonprofit organizations statewide to support affordable, low income and workforce housing initiatives. Over the past 10 years, Northrim Bank has financed affordable housing projects and related entities totaling 600+ units, both for families and senior residents. In addition to financing these construction loans, Northrim has invested over $30 million as a tax credit equity partner providing an additional source of funding needed to make these projects happen. Northrim's total investment of approximately $135 million represents a significant contribution to affordable housing within the state.

Northrim also provided financial support to HAPPP (Housing Alaskans, a Public Private Partnership), a nonprofit housing trust formed in 2022 to produce, preserve, and protect housing. Its mission is to address Alaska's housing crisis by using creative funding solutions to bridge the gap to bring housing projects online, incentivizing housing developers and providers with operational and capital funding to help projects cross the finish line.

In prior years, the Bank's subsidiary, Residential Mortgage participated in a special affordable lending program in partnership with the FHLB Des Moines that provided 43 borrowers with lowered interest rates. On average, the interest rates were reduced by 2 percent for these borrowers.

Small Business Loan Programs

Small businesses are at the heart of our community and Northrim is committed to serving the needs of Alaska. Access to capital is critical for the recovery and growth of many small businesses, especially during challenging times such as this past year. In 2024, Northrim approved 12 SBA loans totaling over $5 million.

Northrim continued to lead the State Small Business Credit Initiative (SSBCI) in Alaska which empowered small businesses to access capital needed to invest in job-creating opportunities as the country emerges from the pandemic. The SSBCI and the newly launched Tribal SSBCI Consortium are transformative programs advancing equitable economic growth and resilience across Alaska. The Alaska Small Business Development Center is the administrative lead for the program for the State and deploys the funding to lenders and investment funds. Northrim accounted for 50 loans totaling over $46 million in this program in 2024, including 23 loans for Socially and Economically Disadvantaged Individuals (SEDI) and 18 loans for Very Small Businesses (VSB).

GOVERNANCE

Compliance and Code of Conduct

We are deeply committed to complying with all laws and regulations while operating and maintaining a high standard of business and personal ethics. We do so by ensuring we operate with integrity, abiding by all applicable federal, state and local laws, and completing annual compliance trainings.

The Company maintains a Code of Conduct. The Code of Conduct addresses the professional, honest and ethical conduct required of each employee and director. It provides guidance on topics including conflicts of interest, disclosure process, compliance with laws, rules and regulations (including securities trading), corporate opportunities, confidentiality, fair dealing, protection and proper use of Company assets, and the importance of reporting of any suspected illegal or unethical behavior through a variety of methods, including a confidential hotline, and whistleblower protections. Every director, executive, manager, officer, and employee is expected to comply with Northrim's Code of Conduct.

Management

We are committed to promoting sound environmental, social, and governance (ESG) practices and effective leadership through strong Board leadership and management oversight of Northrim's processes. Broadly speaking, our senior management team develops our ESG strategic direction and oversees its execution. The Board is charged with providing guidance, insight and oversight to the strategy, initiatives, and management's performance, which is expressly included in Northrim's Corporate Governance Guidelines. This is done primarily through the Governance and Nominating Committee, which reviews and reassesses management's ESG framework and initiatives. However, the Audit and Compensation Committees have ESG-related responsibilities as well. The Audit Committee oversees external communications, and the Compensation Committee oversees human resource management matters that intersect with ESG. Both committees conduct their ESG responsibilities in conjunction with the Governance and Nominating Committee.

Together with our Board of Directors, the Bank has adopted an ESG policy to reflect our commitment to

environmental, social and governance factors in the development of our business strategies. Our commitment to good corporate citizenship and the achievement of ESG policy goals enhances our ability to pursue business opportunities and manage risks across our business, and it supports our values in addressing the environmental and social challenges faced by the communities we serve.

Marketing

It is our practice to design and offer loan products, advertisements and marketing pieces that are clear and easy for individuals and businesses to understand and do not discriminate on a prohibited basis. It is also our practice to be transparent, clear and conspicuous, and state information with equal prominence and proximity when required. All advertising complies with the regulatory requirements including the Equal Credit Opportunity Act, which rules against unfair, deceptive, or abusive acts or practices, the Truth in Lending Act and the Fair Housing Act. Our Compliance Department ensures that all regulatory and disclosure requirements have been met.

Community

Community Reinvestment Act Disclosures

Employee Benefits

CRA Rating

Mission, Vision and Values

Officers and Directors

Committee Charting

Management

Code of Conduct

Northrim BanCorp, Inc.