Northrim BanCorp, Inc.

ESG REPORT

# 2025

CELEBRATING **35** YEARS

## 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.

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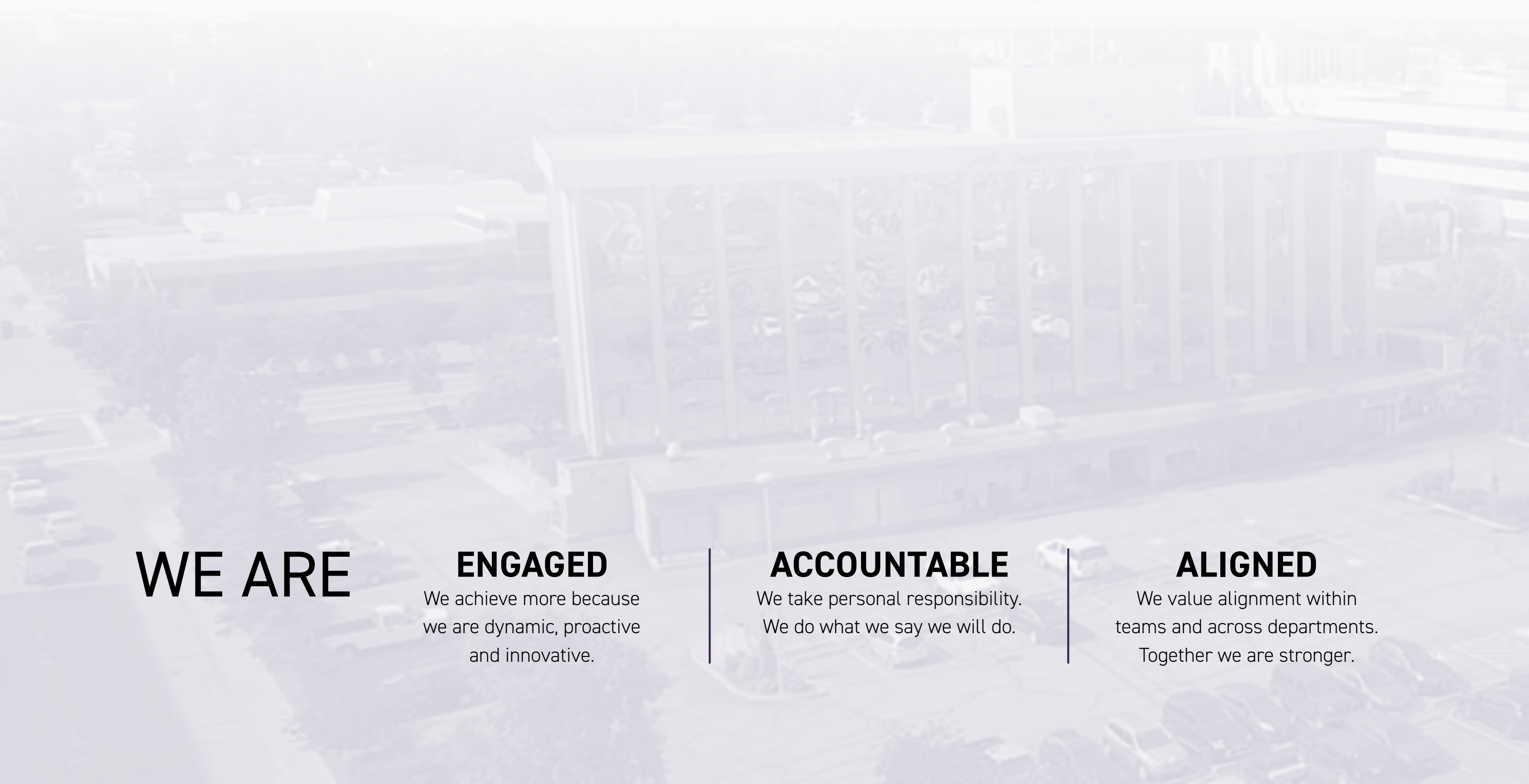
## VALUES

**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.



WE ARE

**ENGAGED**
We achieve more because we are dynamic, proactive and innovative.

**ACCOUNTABLE**
We take personal responsibility. We do what we say we will do.

**ALIGNED**
We value alignment within teams and across departments. Together we are stronger.

**MIKE HUSTON**

# 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 2025 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.

Chairman, President and CEO

# 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 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 2025, Northrim continued to work through the recommendations identified in the previous building recommendation report on its main headquarters building in Anchorage, Alaska that encompassed Green Building Modifications. The initial phase of upgrading primary systems such as the boiler, generator and electrical was completed this year.

The goal of the 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 Commercial Property Assessed Clean Energy & Resilience (C-PACER) program in Alaskan communities to drive energy improvements in local communities 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 a greener, stronger community. In Wasilla, C-PACER is administered by the Matanuska-Susitna Borough and provides flexible financing solutions for new, ongoing or recently completed commercial real estate projects including a new hotel development project that Northrim is involved in. The first new construction C-PACER project in the Matanuska-Susitna Borough, The Home2 Suites by Hilton, a four-story, 107-room hotel will incorporate C-PACER-funded energy efficiency designs to enable the hotel to operate with a reduced carbon footprint and lower operating costs including water conservation and seismic resilience measures.

# SOCIAL

At Northrim, we value all of our 528 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 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 | 63% | 37% | 35% | 6% | 2% |
| Executive and Senior Management | 33% | 67% | 7% | 13% | 3% |
| 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.

## 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, the 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 2025.

## 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 sponsors wellness events such as 5K walks/runs, as well as

team sporting events to encourage wellness and teambuilding. Additionally, Northrim provides access to The Dome athletic facility and supplies all employees with annual Alaska State Parks day-use parking passes—encouraging employees to spend time outdoors, build healthy habits and explore nature.

When the Supplemental Nutrition Assistance Program (SNAP) was impacted during the 2025 government shutdown, Northrim offered a temporary prepaid gift card program to support employees who may have experienced food insecurity during that time. To utilize the program, employees simply needed to attest they were impacted by the SNAP benefit disruption and provide proof of their current SNAP eligibility, such as SNAP benefit approval letter, recent benefit statement or a screenshot or document from the state SNAP portal showing active status.

Northrim matched the employee's SNAP benefit amount that was impacted by the government shutdown in the form of a prepaid grocery gift card. Two employees were able to utilize this program for a total of $2,905.

## 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 2025, Northrim employees volunteered over 4,000 hours in their local communities. Some of the areas where our employees have supported their community can be found below.

- **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 2025, employees participated in the annual United Way Campaign and pledged $159,000 in support of local communities throughout Alaska and in Washington State. This total includes direct donations from employees and Northrim's 50% match for employee gifts to United Way.

## COMMUNITY GIVING

As Alaska's 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:

- Affordable and workforce housing
- 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 2025, Northrim Bank contributed over $1.6 million to organizations throughout Alaska. Some of these key organizations include United Way, University of Alaska Foundation, Junior Achievement, Alaska Native Heritage Center, Anchorage Economic Development Corporation and the Alaska Community Foundation.

In addition to the bank's own contribution to Western Alaska communities after the devastating effects of Typhoon Halong, Northrim and other Federal Home Loan Bank of Des Moines (FHLB Des Moines) member financial institutions, successfully advocated to the FHLB Des Moines Board for a FHLB Des Moines donation of $2 million to Western Alaska relief efforts, with the funds allocated between the relief funds of both the Alaska Community Foundation and Red Cross of Alaska.

## 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% of Alaska's population has an office accessible to their community.

Northrim is proud to offer the Easy Banking Checking account to provide a safe, affordable 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.

In response to the 2025 Federal Government Shutdown, Northrim created the Government Employee Pay Disruption loan program to provide short-term relief to federal employees affected by the shutdown and who were temporarily without pay. The program ensured fast access to funds with minimal documentation, with repayment structured around receipt of back pay once government operations resumed. Applicants had to be either an Alaska resident or current Northrim customer with proof of employment with the government. The bank received 49 applications and closed 36 loans for a total of $187,312.

## 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 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.

In 2025, Northrim participated in two Low Income Housing Tax Credit projects. A 24-unit family housing building in Anchorage and a 28-unit initiative for permanent supportive housing for seniors in Ketchikan that are both under construction.

The bank has developed a unique mortgage debt relief, program to provide relief assistance for specific mortgage servicing customers that Northrim has acquired. This program is available to any Northrim consumer mortgage borrower from either our in-house or serviced portfolio with the following requirements: borrowers are at least 90 days delinquent and have a documented, permanent hardship and the remaining principal and interest balance does not exceed $2,500. Two customers qualified for the program in 2025 for a total cost of $13,929. These were accumulated fees that had been assessed by the previous financial institution which were waived resulting in time savings for the bank's credit administration and mortgage servicing staff as well as goodwill to the customers.

## 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.

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 and deploys the funding to lenders and investment funds. Northrim accounted for 52 loans totaling over $57 million in this program in 2025, including 30 loans for Socially and Economically Disadvantaged Individuals (SEDI) and 22 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 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, who 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.


***Executive team (left to right):***

***Amber Zins,*** *Chief Operating Officer;* ***Jason Criqui,*** *Chief Banking Officer;* ***Mike Huston,*** *President & CEO;*
***Nathan Reed,*** *Chief Information Officer;* ***Mark Edwards,*** *Chief Credit Officer & Bank Economist;*
***Jed Ballard,*** *Chief Financial Officer*

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 close proximity when required. All advertising complies with the regulatory requirements to include Equal Credit Opportunity Act, rules against unfair, deceptive, or abusive acts or practices, Truth in Lending Act and the Fair Housing Act. Our Compliance Department ensures that all regulatory and disclosure requirements have been met.

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Community

Community Reinvestment Act (CRA) Public File

Employee Benefits

CRA Rating

Mission, Vision & Values

Officers & Directors

Committee Charting

Northrim Management

Northrim BanCorp, Inc.