

Introduction

A Message From Our CEO



Dear Shareholders,

Since 1884, we have remained committed to our foundation as a community banking institution and are proud to be a vital part of the 45 communities in which we operate. We have stayed true to our guiding principles of giving back to the communities we serve and conducting our business with the highest level of integrity.

We recognize the importance of focusing on long-term financial sustainability and the prudent management of environmental, social and governance (ESG) factors, and we continue to improve our processes in these areas. We believe a thoughtful, coordinated approach to ESG will support a more sustainable future for our stakeholders, including our investors, employees, clients and communities.

Our ESG strategy will advance alongside the focus and scale of our business, referencing the evolving ESG principles for our industry.

Highlights of our 2022 fiscal year include:

- Continuing to place local communities at the heart of our work through the Kearny Bank First-Time Homebuyer Program and through several partnerships with a financial literacy focus.
- Strengthening our commitment to diversity in recruitment, with 43% of new hires identifying as diverse.
- Growing our digital banking services to meet clients where they are — whether in a branch location, online, or through a mobile application.

- Recognizing the impact that a warming climate has on our business and taking steps to measure the potential risks posed by climate change.

Our Board of Directors is committed to providing leadership in these areas, and as such, we are pleased to publish an expanded ESG Report highlighting our most recent efforts. The Board of Directors and management look forward to sharing our progress while we continue our ESG journey.



Craig L. Montanaro

Craig L. Montanaro

President and Chief Executive Officer

2022 ESG Report

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 **\$7.7**
BILLION IN ASSETS

 **45**
BRANCHES

 **1884**
YEAR FOUNDED



About Us

Kearny Financial Corp. (the “Company”) is the holding company for Kearny Bank (the “Bank”), a full-service community bank originally established in 1884 as a New Jersey building and loan association. Kearny Financial Corp. is a publicly traded company with assets exceeding \$7.7 billion.

Kearny Bank’s rich history, one that has seen steady growth both organically and by merger, has led to an expansive franchise located throughout 10 New Jersey counties and Brooklyn and Staten Island, New York. With the convenience of 45 retail branch offices and a full array of digital products and services, we are positioned to provide the robust banking services required by today’s consumer and commercial clients.



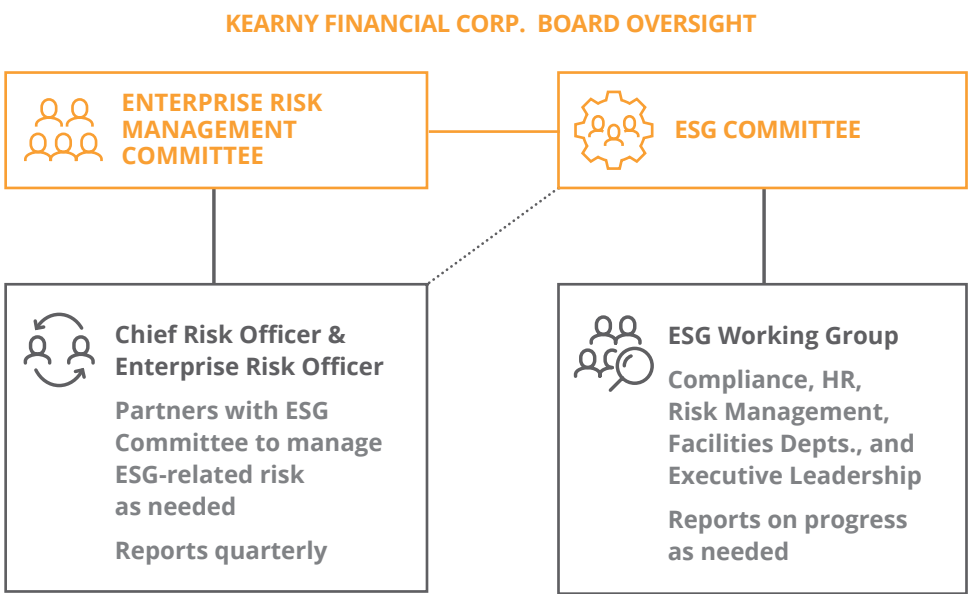
Our ESG Approach

In 2021, we established an ESG Committee of the Board of Directors to oversee ESG matters and review ESG-related strategy, initiatives, policies and risk management.

The Enterprise Risk Management (ERM) Committee of the Board manages, contains and controls risk throughout the Company. Our Chief Risk Officer and Enterprise Risk Officer report to the ERM Committee quarterly and partner with the ESG Committee to manage ESG-related risk as needed.

We have also established an ESG Working Group comprised of cross-functional leaders including representation from our Compliance, Human Resources, Risk Management and Facilities departments as well as executive leadership. The ESG Working Group reports to the ESG Committee of the Board on an as-needed basis.

ESG Oversight Committee Structure



This report covers progress related to our ESG strategy and initiatives during fiscal year 2022 (FY2022), which we have aligned in four areas fundamental to our efforts:



OUR SOCIAL IMPACT

We are committed to delivering personalized services and continuing our community involvement. The Kearny Bank team will preserve a long-standing history of service.



OUR PEOPLE

We are committed to the engagement and recognition of our employees and celebrate career milestones and longevity. We strive to create a diverse workforce reflective of our employees, clients and the communities in which we live and work.



THE ENVIRONMENT

We are committed to advancing practices that reduce the impact of our operations on the environment and continue to look for ways to reduce our carbon footprint.



RESPONSIBLE BUSINESS PRACTICES

We are committed to the transparency, integrity and effectiveness of policy- and decision-making at the Board and management levels. We take legal and regulatory compliance very seriously and strive for the highest moral and ethical standards in conducting our business.



Kearny Bank employees volunteering during a local Habitat for Humanity community contribution project.

In developing our ESG strategy, we referenced the Sustainability Accounting Standards Board (SASB) standards related to commercial banks and have also identified several United Nations Sustainable Development Goals (SDGs) that we support through our business activities and key priorities.

Unless otherwise noted, all quantitative company data provided throughout this report is for FY2022, reflecting data from July 1, 2021, to June 30, 2022. We have included certain initiatives that occurred after the end of FY2022 and have noted them as such. Throughout the report, we guide readers to additional sources of information on our corporate website and other references for convenience. Please see our [Forward-Looking Statements](#) at the end of this report for more information.



Our Social Impact

Our deep-rooted commitment to the community is an integral part of our success. We continue to support the vital neighborhoods we serve in New Jersey and New York by increasing access to our services through digital tools and by building local partnerships that result in enriched communities.

Increasing Digital Access

As a community bank, we offer a comprehensive suite of banking services and personalized banking options suitable for the needs of each individual client to help both personal and business clients succeed in their day-to-day lives.

During FY2022, we focused heavily on leveraging technology to enhance client experience and engagement and to increase access to banking services. We expanded our digital service offerings, which now include online banking, online account opening, bill pay, remote deposit capture, mobile banking, online loan applications and more. We joined with best-of-breed solutions providers to support the needs of our clients and give them the freedom to bank the way they want to bank. We strive to provide an optimal user experience to continually improve the way in which our clients progress along their journeys with us.

**WE ARE
DEDICATED TO
CONTINUALLY
IMPROVING
OUR END USER
EXPERIENCE**

Growth of Digital Services

 **87%**

Growth in digital wallet transactions in FY2022 with over 104,000 transactions, amounting to over \$2.9 million.

 **111%**

Growth in CardHub users in FY2022. CardHub allows card holders to monitor and manage their card spending and reduce fraud.

While we recognize technology's ever-expanding reach and importance, we are also mindful that access is not always equally available. Our goal is to meet clients where they are — whether in a branch location, online, through a mobile application, or by video conference — and provide options to serve their individual needs.

 **107%**

Increase in person-to-person (P2P) transactions.

 **21%**

Increase in number of mobile banking users.

 **265k+**

Statements delivered electronically to clients in FY2022, rather than being printed and mailed.



OVER
288,000
CLIENT
ENGAGEMENTS VIA
AI CHATBOT

Digital Client Contact

We launched a new client service platform in FY2022 with 24/7 artificial intelligence (AI) chatbot availability that has resulted in over 288,000 client engagements. To improve client communication during the residential lending process, we implemented mortgage messaging technology that allows loan officers to communicate with clients by sending and receiving SMS messages from within the loan origination system. Features of the tool also include automated alerts and a live chat function to boost the digital experience.

For more information on our digital banking offerings, please visit:
<https://www.kearnybank.com/personal-banking/digital-banking>

Supporting Our Communities

Our valued employees donate their time and expertise, often in leadership roles, to charitable and civic organizations throughout our service area.

KearnyBank Charitable Foundation

Through the KearnyBank Foundation, we fund charitable causes within the Bank's market area. We also show our support through the hands-on efforts of many employees who are committed to improving lives throughout the areas we serve.

The Foundation focuses on organizations active in four areas: **Education, Housing, Community Betterment** (Arts, Culture, Stewardship), and **Quality of Life**.

Since the inception of the KearnyBank Foundation in 2015, we have donated over \$3.5 million to charitable organizations in our community.

OVER
\$3.5M
DONATED
SINCE 2015

CASE STUDY: COVID Relief for Chilton

The KearnyBank Foundation continues to support the efforts of organizations battling the pandemic, and in March 2020 donated \$50,000 to the Chilton Medical Center Foundation, based in Pompton Plains, New Jersey. This funding was used primarily to support healthcare workers on the front lines in the fight against COVID-19.

At the start of the pandemic, the KearnyBank Foundation contributed over \$500,000 in grants focused on public health, education access, small businesses and community support. In addition to the Chilton Medical Center and the Chilton Medical Center Foundation, recipients included St. Joseph's Medical Center, the Community Medical Center Foundation, Monmouth Medical Center Foundation, the AtlantiCare Foundation, Eva's Village, Oasis, the Urban League of Essex County, the Center for Food Action, and the American Red Cross.

Socially Responsible Lending

First-Time Homebuyer Program

To assist borrowers in underserved communities, the Kearny Bank First-Time Homebuyer Program promotes home ownership through down payment assistance, rate reductions, lender-paid mortgage insurance, and fee waivers for qualified borrowers. We also offer first-time homebuyer support by partnering with community organizations providing homeownership credit counseling and other resources. Further, we have designated loan officers and allocated resources to focus on lending in low- and moderate-income communities.



Pictured (from left) are Kearny Bank President, CEO and Chilton Medical Foundation Chairman, Craig Montanaro; Chief Development Officer Joan Beloff; and Chilton Medical Center Foundation Director Michael Bressman.



During FY2022, we originated 30 loans totaling over \$9 million through this program. We are diligently working with clients who may need down payment and closing cost assistance to reach their goal of homeownership.

Small Business Administration (SBA) Lending

As part of our commitment to the growth of small businesses, Kearny Bank is a leading participant in the lending programs of the New Jersey Small Business Administration. The primary function of the Bank's SBA lending program is to make loans to small businesses that are unable to obtain financing on conventional terms or where longer-term financing is necessary to qualify the borrower.



The Bergen County commissioner and our presentation of a check to help support the American Dream Program.

COVID-19 Response

During COVID-19, we implemented hardship measures — including loan modifications, deferred payments and temporary credit lines — and eliminated certain fees. In addition, we reached out in a neighborhood bank style to support our clients during this challenging time. We continue to support our clients by offering hardship assistance as needed.



In 2021, we became a certified participating financial institution with Bank On, a platform that connects consumers to secure, affordable bank accounts. Through this partnership, we offer Simple Checking, a checkless account with no overdraft, non-sufficient funds, and Kearny ATM fees, to previously unbanked or underbanked clients.

Financial Literacy Partnerships



Through our partnership with Junior Achievement, we help support financial literacy throughout New Jersey schools. Volunteers deliver lessons that promote financial capability, work and career readiness, and business ownership. The Bank's President and Chief Executive Officer serves on the Board of Junior Achievement of New Jersey.



We sponsor Zogo's financial literacy app, which uses an interactive, gamified approach to teach financial fundamentals and rewards users for completing financial literacy lessons. Through this channel, we are able to deliver financial education to individuals, particularly young adults, who may not receive it in a school setting.

Zogo metrics, as of 9/7/2022:

- 11,515 users
- 81% of Zogo users sponsored by Kearny Bank are under 25
- 1.1 million learning concepts completed
- 216,400 financial literacy modules completed
- \$11,700 awarded to app users for financial literacy learning



Since 2018, we have partnered with EVERFI, an interactive financial literacy platform provided to participating schools and organizations at no expense. We offer financial education and virtual training for K-12 students and their families through EVERFI's Family Portal, while better enabling the students' teachers (who are frequently resource constrained) with enrichment materials to reinforce their existing lesson plans.

K-12 Education:
2021-22 Sponsorship Reach and Impact

REACH	1,223 STUDENTS	16 SCHOOLS
IMPACT	3,179 HOURS OF LEARNING	6,299 MODULES COMPLETED

American Dream Program

As a sponsor of the Bergen County Division of Community Development's American Dream Program, we help educate potential first-time buyers about purchasing their first home. The American Dream Program works with local banks such as Kearny Bank to offer qualified residents below-market interest rates and deferred-payback mortgage financing to buy their first home and realize the American dream.



Our partnership with the American Dream Program and a borrower closing on her loan.



Our People

We are committed to the continued engagement and recognition of a diverse workforce. We strive to create a culture of inclusion that reflects our employees and clients and the communities in which we live and work.

Employee Composition

 **596**

Total Headcount FY2022

Diversity and Inclusion

We consider the diversity of our employees, clients, communities and economic sectors a source of strength and competitive advantage in pursuing our community and commercial banking strategy.

WE CONSIDER
Diversity
TO BE A SOURCE
OF STRENGTH AND
COMPETITIVE
ADVANTAGE



Kearny Bank volunteers at Eva's Village, serving individuals struggling with poverty, hunger, homelessness, and addiction.

We recognize the importance of maintaining a diverse and inclusive workplace and have formalized our commitment by establishing a Diversity and Inclusion Action Plan and a Board-authorized Diversity, Equity and Inclusion Committee to monitor progress in this area. To ensure accountability, the committee reports its progress to the Board annually.



Ongoing Efforts

Recruitment

In taking steps to develop a pipeline of diverse, qualified employees, we have established strong relationships with business associations such as the Hispanic and African American Chambers of Commerce. Job postings are provided to local colleges to help identify

highly qualified minority, female, and other diverse students for potential employment. We have also implemented a diversity and inclusion certification program to further educate and train our recruitment staff in their efforts to learn how to source more diverse candidates.

Developing and Retaining Diverse Employees

In 2022, we enhanced our training offerings to include a required continuing education Diversity Series, which features online modules on age, race and ethnicity, disabilities, and gender and sexual orientation. For the last several years, we have hosted a Women's Leadership Employee Resource Group (ERG) to support mentorship and encourage dialogue across the organization. In addition, we are currently developing a Women in Business certification program to better prepare client-facing employees to connect with female business leaders.

CASE STUDY: Industry Association Participation: Women in Banking Conference

We have been a lead sponsor of the New Jersey Bankers Women in Banking Conference since its inception in 2014. The event brings together women in the banking industry to provide strategies for success, identify key trends, and discuss why diversity in the workplace matters. In 2022, one of our employees was named to the event committee to help ensure its success and longevity.



Kearny Bank employees at the 2022 New Jersey Bankers Women in Banking Conference.

Wage Equality

We conduct pay assessments to ensure equal pay for equal work by performing internal salary reviews and utilizing external market data during our process. Our internal minimum wage exceeds state and federal guidelines. The Compensation Committee has engaged an independent consultant to review our compensation programs at the executive level.

63%

Women in Overall Workforce

56%

Female Officers²

¹ Includes employees who identify as Asian, Black or African American, Hispanic or Latino, or two or more races.

² Includes assistant secretaries, assistant treasurers and assistant vice presidents and above.

32%

Diverse Employees¹

43%

Diverse New Hires

Growing and Developing Our Talent

We look to equip Kearny Bank employees with the tools and support they need to achieve their highest potential and prepare them for future opportunities. We post jobs internally and seek out qualified internal candidates to fill open positions within the Bank in support of our employees’ professional advancement. We also provide several programs to enhance training and development.

Training and Development Opportunities

New Employee Orientation

The orientation for new employees relays important information from various departments across the Bank. Our President and CEO participates in this orientation program, personally welcoming our new employees to Kearny Bank.



Learning Center

Our dynamic employee Learning Center has over 1,000 classes in the course library, both self-paced and instructor led.

Instructor-Led Training

Our core operations training programs educate employees on Kearny Bank’s policies surrounding client transactions, account opening and maintenance along with other key functional areas. We offer professional development courses focused on enhancing skill sets such as team building, coaching, leadership, relationship building and client experience workshops.



Kearny Bank at New Jersey Bankers’ Emerging Leaders conference.

Career Mentoring Program

Our team members can learn new skill sets, gain insights, and receive advice from senior leaders via the Career Mentoring Program we launched in 2021.

Tuition Reimbursement and Continuing Education

We encourage employees to continue their education by providing eligible employees with up to \$5,000 per year in tuition reimbursement. Additionally, we partner with local colleges to offer tuition discounts for employees and their immediate families. In 2021, we introduced the opportunity for select employees to attend the American Bankers Association Stonier Graduate School of Banking to further support career development.



In 2022, Kearny Bank employees completed approximately 25,000 hours of training and development.

Open-Door Policy

We believe open communication at all levels is critical for maintaining a successful organization. Our leadership team is accessible and responsive to employee feedback, essential to building and maintaining a positive and productive work environment.

In 2022, we launched an anonymous, virtual survey for branch managers to collect information on day-to-day operations and training needs.

Performance Reviews

All employees at Kearny Bank undergo an annual, formal performance review. Managers also have ongoing conversations with individual employees to provide developmental feedback.

Benefits

To support the health and well-being of our employees, we offer comprehensive benefits such as medical, dental and vision healthcare plans and a generous paid time off program. To help employees plan for retirement, we offer an employer-funded Employee Stock Ownership Plan and a 401(k) plan with an employer-matching contribution.

We also recognize the impact that everyday demands may have on an individual, both personally and professionally, and are committed to providing constructive, professional assistance through an Employee Assistance Plan (EAP). The EAP includes monthly wellness seminars, a Managing Stress toolkit and EAP clinician consultations.

For more information, please visit our Careers webpage:

<https://www.kearnybank.com/careers>

Workplace Safety and Security

We strive to maintain a secure and safe work environment and pay close attention to and protect the security of our premises. Security procedures for each office, in accordance with standards established by law, are set forth in the Bank's Security Manual. Our Employee Handbook provides guidance to employees to keep the workplace safe for employees and clients.



EVERY EMPLOYEE
AND CLIENT
DESERVES TO FEEL
Safe+Secure
AT HOME AND IN
THE WORKPLACE



The Environment

We are committed to managing the environmental impact associated with our operations and managing the risks posed to our business due to the effects of climate change. In that regard, we focused significant resources to develop a methodology for evaluating climate-related risks to the Bank's loan portfolio.

Climate Risk Management

We recognize that the effects of climate change — warming temperatures, rising sea levels and extreme weather events — could impact our business, clients and local communities. We are therefore taking active steps to identify, measure, manage and mitigate these climate-related risks.

Climate Risk Scenario Analysis

In 2021, we conducted an analysis to quantify the potential risk posed to the Bank by climate change. Led by our Enterprise Risk Management Department, we developed a climate risk dashboard to report the risk posed to the Bank's loans, branches and corporate locations as measured by the Federal Emergency Management Agency (FEMA) National Risk Index (NRI).



Kearny Bank employees turn out for the community to coordinate and run a coat drive at our Clifton Richfield branch location.



The FEMA NRI seeks to measure the risks of natural disasters by quantifying risk associated with the negative impacts of natural hazards. The NRI has three underlying components: expected annual loss due to natural hazards; social vulnerability due to natural or human-caused disasters; and community resilience, which measures a community's ability to prepare for, adapt to, and recover from the effects of natural hazards.



The FEMA National Risk Index (NRI) is a tool to help illustrate U.S. communities most at risk for natural hazards. It was built in collaboration with stakeholders in academia; local, state and federal government; and private industry.

Based on our analysis and as measured by the FEMA NRI, the Kearny Bank loan portfolio is currently exposed to low to moderate risk of natural disasters. Our ERM Department will continue to analyze this data over time to discern emerging risk patterns. It will continue to report these findings to the ERM Committee of the Board annually, escalating recommendations and emerging risks.

For more information on the FEMA NRI, please visit:
<https://www.fema.gov/flood-maps/products-tools/national-risk-index>

Environmental Management

Kearny Bank is committed to being a responsible member of the communities we are a part of and is cognizant of our operations' impact on the environment. In keeping with this commitment, we have developed an Environmental Mission Statement.

Energy-Efficiency Initiatives

We use LED indoor lighting to reduce energy consumption. One hundred percent of outdoor lighting we control is also LED, and 22% of locations have occupancy sensor lighting. New HVAC systems meet the latest efficiency standards, and new office and IT equipment is ENERGY STAR certified. We are moving our server infrastructure to cloud data centers, estimated to be up to 93% more energy efficient and 98% more carbon efficient than those located on premises.



Additionally, we are evaluating solar and energy-consumption tracking mechanisms to make a greater impact.

Our digital banking services, such as mobile banking, cash management tools, and online retail deposit products, eliminate the need to commute to a bank location. These deposit products also encourage paperless statements, which reduces overall paper usage. In 2021, we appointed a Director of Digital Banking to further improve our digital banking efforts.

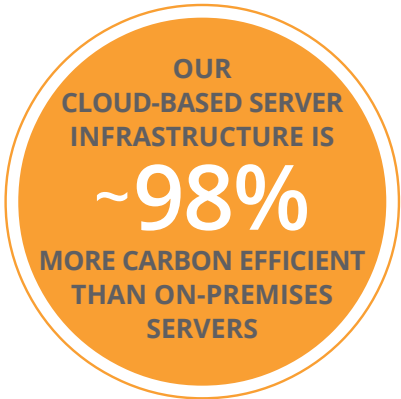
Office Waste Management

We responsibly recycle laptops, servers, hard drives, monitors, printers and cell phones. We also collect and recycle printer toner cartridges through our Toner Recycling Program. We are transitioning to paperless processes, relying heavily on electronic document systems and eliminating or reducing courier services. Our awareness initiatives encourage employees to be attentive to recycling opportunities, reduce individual printing tendencies, turn off the lights, and more.

We also try to eliminate waste by reusing and refurbishing items when possible. For example, we furnished the newest corporate space in Fairfield, New Jersey, with refurbished furniture.



We are transitioning to paperless processes, relying heavily on electronic document systems and eliminating or reducing courier services.



Other examples of minimizing our impact on the environment are:

- Using natural gas generators, which are quieter and release fewer pollutants compared to diesel counterparts.
- Utilizing home offices to provide immediate response while reducing carbon emissions.
- Increasing the use of cloud technologies to reduce on-premise data center power consumption.



Responsible Business Practices

We are committed to the transparency, integrity and effectiveness of policy- and decision-making, both at the Board and management level.

Corporate Governance and Business Ethics

As stipulated in our [Code of Conduct](#), we strive for the highest moral and ethical standards in conducting our business. The code applies to directors, officers and employees, and we encourage employees to report violations through our anonymous employee ethics hotline, their manager, Human Resources or higher-level management. All complaints received from the ethics hotline are forwarded to the Audit and Compliance Committee of the Board as part of our whistleblower program. All employees are encouraged to bring their workplace concerns forward without fear of retaliation.

Compliance Management Program

The Board's Audit and Compliance Committee and Senior Management oversee our Compliance Management Program, which addresses and aids in preventing law violations and associated harm to consumers, clients and others. As part of the program, the consumer and client compliance management system incorporates a comprehensive complaint system, compliance responsibilities, periodic training of bank personnel, related internal policies and procedures, operational reviews and monitoring, appropriate and timely corrective action, and updated policies and materials as required.

Periodically, independent program audits are conducted to determine effectiveness and whether enhancements or corrective actions are appropriate.

Compliance Training

The compliance curriculum consists of multiple courses, which are assigned based on specific job functions. It includes auditing, Bank Secrecy Act, fair lending, fraud awareness, sexual harassment, ethical behavior, privacy, data and cybersecurity.

Fair Lending Compliance

We work with our Compliance team to ensure our adherence to fair lending laws by preventing and detecting discrimination through marketing and data resources. We collect data about our lending efforts concerning accessibility and inclusiveness, particularly regarding race and ethnicity. Community outreach efforts are presented quarterly to the Compliance and Community Reinvestment Act (CRA) Steering Committee.

Bank Secrecy Act (BSA) and Anti-Money Laundering Program

We use an enhanced transaction-monitoring platform incorporating AI technology to detect, track and help prevent fraud. Every employee and Board member receives BSA training. Our system of internal controls includes daily, weekly and monthly reporting; automated watchlist screening; and Suspicious Activity Reports that are delivered to the Audit and Compliance Committee monthly.

Non-Discrimination Policy in Lending

The Bank is committed to prohibiting discrimination in all aspects of operations. To further ensure our policy of non-discriminatory lending, the Bank and Board of Directors adopted and implemented written guidelines to promote the fair and equal treatment of all loan applicants. All employees must strictly comply with these provisions, and ongoing anti-discrimination training is provided.

KEARNY IS
COMMITTED TO
**Prohibiting
Discrimination**
IN ALL ASPECTS
OF OPERATIONS



Risk Management

The Board has general authority over the company’s risk oversight function, with oversight delegated to the ERM Committee to review risk management policies and practices in specific areas of our business. The Audit and Compliance Committee also works closely with officers involved in the risk management function and the internal audit staff.

Financial Stress Testing

In partnership with a third party, our Enterprise Risk Management team runs several stress tests, including capital, liquidity and interest rate risk. We run two annual credit stress tests to establish our sensitivity to credit losses and potential impact to capital. This is a voluntary strategic decision that helps us estimate our capacity for risk and reserve requirements and allows us to make more informed capital allocation decisions.

Business Continuity Management (BCM)

Our Board-approved BCM program aims to protect employees, ensure uninterrupted client service, and comply with regulations. The program incorporates risk assessments, disaster recovery plans, testing, employee training, and the use of different technologies to back up, replicate and retain our data. Key components of our BCM include threat and risk assessments, business continuity plans, and disaster recovery plans. Various tests to evaluate recovery plan effectiveness are performed in support of this program.

Environmental Risk Procedures

Our Board-approved lending policies require environmental assessments and risk reports to be conducted before real estate loan transactions as applicable.

Our Flood Disaster Protection Act Policy addresses flood hazard insurance requirements to ensure compliance with applicable laws.



Data Security and Client Privacy

Data Security

Protecting the Bank and our clients’ data has always been a priority, and our Board-approved Cyber Defense Program integrates people, processes and layered technologies. Our cybersecurity program uses the Federal Financial Institutions Examination Council (FFIEC) Cybersecurity Assessment Toolkit and various security control frameworks such as the National Institute of Standards and Technology (NIST) Cybersecurity Framework to measure our cybersecurity preparedness and protect our cloud applications, networks, computers and facilities.

Incident Response

Timely, accurate and reliable threat intelligence enables us to evaluate and counter threats proactively. We conduct Incident Response tests throughout the year to assess and enhance our response to high-risk events. If critical events are discovered, tests are performed, responses are validated, and additional measures are taken if warranted.

Our Security and Fraud Center has important information to educate clients on security best practices and how they can protect themselves and their business. The subject matter includes trending cybersecurity issues such as ransomware. Additionally, we provide clients with timely security alerts and host security seminars.

Specific examples of the measures taken to protect our clients are found on our [Security and Fraud Center page](#). This also includes the actions our clients can take to protect themselves, recover from identity theft, and report fraud.



Cybersecurity Training

We provide annual mandatory security and fraud training to help employees identify threats, learn best practices, and adhere to established policies.

Client Privacy

Recognizing the significance of client privacy, our Board designated a qualified Privacy Officer to oversee compliance, manage training for all Bank personnel, and support third-party vendor review. Our Privacy Policy ensures proper adherence to the provisions and intent of Privacy of Consumer Financial Information, more specifically the Gramm-Leach-Bliley Act, which governs the treatment of nonpublic personal information about consumers as indicated in our [Privacy Policy](#).

We also conduct annual internal and external audits of our data privacy controls.



Kearny Bank presents cyber defense brief & incident response guide at New Jersey Society of Certified Public Accountants (NJCPA) meeting.

We continuously strive to earn the trust of our clients and protect their confidential data. We use all three consumer credit reporting agencies (Equifax, Experian and TransUnion) in our lending operations and comply with the Fair Credit Reporting Act (FCRA) regarding client privacy. The Bank also maintains a robust Identity Theft Prevention Program as required by the Fair and Accurate Credit Transactions Act amendment to the FCRA. This program is designed to detect, prevent and mitigate identity theft. We update the program periodically as cybersecurity risks evolve.



Vendor Management

We are committed to conducting our business ethically and expect all vendors we partner with to align with our principles, as stipulated in our [Vendor Code of Conduct](#) (the “Code”). We expect any vendor providing products or services to Kearny Bank to act in accordance with this Code and demonstrate commitment to responsible and ethical business and employment practices. Before delivering products and services to the Bank or our clients, vendors are subject to review and assessment in accordance with our vendor management program.

Supplier Diversity

We support a diverse, equitable and inclusive culture and encourage vendors to demonstrate commitment to these principles in their business practices. We are exploring ways to increase the number of diverse suppliers we partner with.

Government Affairs

Legal and Regulatory Environment

We take our legal and regulatory compliance and our relationship with regulators very seriously, especially those of our primary regulators, including the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Securities and Exchange Commission, and the State of New Jersey. We proactively ensure that our team is aware of upcoming new and changing regulations and share insights through a monthly newsletter circulated by the Compliance and CRA Steering Committee.

Political Activity

In the case of political activity, directors, officers and employees must act as individuals and not as representatives of the Bank. Management of the Bank considers any use of corporate funds or assets for political activity a breach of a director’s, officer’s or employee’s responsibilities to the Bank.





Please read our [Conflicts of Interest and Code of Conduct](#) for more information.



Framework & Standards

United Nations Sustainable Development Goals (SDGs)

The 17 United Nations SDGs are a collaborative, global effort to achieve a better and more sustainable future for all. The following SDGs align with our areas of influence and impact through our business strategy, products and services.

GOAL	DESCRIPTION	ALIGNMENT TO KEARNY BANK	REPORT SECTION
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> Training and development opportunities for employees Financial literacy partnerships 	Supporting Our Communities, Financial Literacy Partnerships, Growing and Developing Our Talent
	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> Diversity and Inclusion Action Plan and Board-authorized Diversity, Equity and Inclusion Committee Ongoing efforts to recruit, develop and retain diverse employees 	Diversity and Inclusion
	Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> Community development loans and small business lending activity Financial literacy programs First-Time Homebuyer Program 	Supporting Our Communities
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Climate risk scenario analysis of loan portfolio 	Climate Risk Management

Forward-Looking Statements

Statements contained in this report that are not historical facts are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those currently anticipated due to a number of factors, which include but are not limited to factors discussed in documents filed by the Company with the Securities and Exchange Commission from time to time. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date hereof, and the Company undertakes no obligation to update them in light of new information or future events.

The information provided in this report reflects the Company's approach to ESG as of the date(s) referenced in this report and is subject to change without notice. We do not undertake to update such information in this report. No reports, documents or websites that are cited or referred to in this document shall be deemed to form part of this report.

Sustainability Accounting Standards Board (SASB)

The following table incorporates the SASB standards, now part of the International Financial Reporting Standards Foundation, related to commercial banks. It includes the relevant topic metric(s) where available and/or references to sections within this report where specific topics are discussed.

TOPIC	ACCOUNTING METRIC	SASB CODE	REPORT SECTION AND COMMENTS
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1	Data Security and Client Privacy
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	
Financial Inclusion and Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	Supporting Our Communities
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	
Incorporation of Environmental, Social and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	Risk Management
	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	FN-CB-410a.2	
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	Corporate Governance and Business Ethics
	Description of whistleblower policies and procedures	FN-CB-510a.2	
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1	Not Applicable
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	FN-CB-550a.2	Risk Management

