



# First Republic's Commitment to the Environment

First Republic recognizes that climate change is having an increasing effect on our communities and the world as a whole. During 2020, we engaged Corporate Citizenship, a leading consulting firm specializing in sustainable and responsible business. Over the past year we have worked together to further identify and focus our environmental impact initiatives. These activities are aligned with our long-held value, "Do the right thing."

## We are pleased to announce that we have made significant progress with our environmental program in 2021:

- We measured our Scope 1, Scope 2 and certain operational Scope 3<sup>1</sup> CO<sub>2</sub>e emissions footprint for 2018-2021 and projected those emissions for the remainder of 2021. To do so, we used the Greenhouse Gas (GHG) Protocol's Corporate Accounting and Reporting Standard and limited the emissions measured to those within the Bank's operational control. Our 2018-2021 CO<sub>2</sub>e emissions will be audited by an independent auditor after year-end.
- We have **achieved carbon neutrality** across our projected Scope 1, Scope 2 and certain operational Scope 3<sup>1</sup> CO<sub>2</sub>e emissions for the full year 2021<sup>2,3</sup> by reducing emissions from purchased electricity through green power agreements and on-site solar at a number of our facilities, while also purchasing unbundled renewable energy credits (RECs) and carbon offsets.
- We purchased **100% renewable energy** for our projected full year 2021 electricity needs<sup>3</sup> through green power agreements and unbundled RECs.
- We formalized our long-standing position of **not lending to fossil fuel companies** by updating our loan policy to restrict lending to fossil fuel industries. We also broadened our policy to restrict lending to other environmentally sensitive industries. This is reflected in our Environmental Do Not Do List on the following page.

## We are committed to taking further action to create a more sustainable future:

- We intend to further reduce our company's GHG emissions relative to our growing business over time.
- We will continue to measure, report and fully offset Scope 1, Scope 2 and certain operational Scope 3<sup>1</sup> emissions to remain carbon neutral henceforth.
- We are committed to purchasing renewable energy to cover 100% of the Bank's electricity needs.
- We will develop and report an environmental strategy aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework's climate recommendations.
- We will support clients in reducing their environmental impact through educational initiatives and environmentally sustainable products and services.
- We will work to increase our colleagues' awareness of climate change issues and the steps they can take to mitigate the effects of climate change.
- We will remain engaged with stakeholders to gather feedback about our sustainability performance.

<sup>1</sup> Relevant operational Scope 3 categories include 3 of 14 categories of the Greenhouse Gas Protocol using the following principles for selections: size, influence, risk, stakeholders and sector guidance. These categories include: Category 1 – Purchased Computer & Office Supplies (subset of Category 1), Category 6 – Business Travel, and Category 7 – Employee Commuting. Excludes Category 15 – Investments.

<sup>2</sup> Carbon neutrality is based on emissions offsets purchased with respect to the full year 2021.

<sup>3</sup> Projected full year 2021 CO<sub>2</sub>e emissions and electricity needs are based on 2021 year-to-date company data as well as historical company data from 2018-2020. Final CO<sub>2</sub>e emissions and electricity consumption will be made available in 2022 following an independent audit.

## First Republic's latest initiatives complement existing programs that support the environment:

- We serve more than 100 environmentally focused nonprofit organizations.
- We offer the First Republic Green Discount on loans for LEED-certified commercial and construction programs.
- We offer environmental, social and governance (ESG) portfolio management choices for environmentally conscious clients.
- We have a comprehensive paper and plastic recycling program that saved over 6,600 trees in 2020.
- We installed solar energy panels to reduce our overall energy consumption at many of our offices in the San Francisco Bay Area.
- We have an employee-run Colleague Community, Eagles for Earth, which facilitates environmental stewardship in our communities.
- With only 82 Preferred Banking Offices and approximately 6,200 colleagues,<sup>1</sup> First Republic operates with a very low physical footprint relative to our asset size. First Republic's combined Scope 1 and Scope 2 GHG emissions are approximately 1/3 of those of peer banks.<sup>2</sup>

### Governance and Oversight

The Corporate Governance and Nominating Committee of First Republic Bank's Board of Directors, in coordination with other committees of the Board, oversees the Bank's policies, programs and strategies related to environmental, social and governance matters. Environmental initiatives are managed by the Bank's Chief Operating Officer.

Environmental risks to the Bank are reviewed by the Directors' Enterprise Risk Management Committee of First Republic Bank's Board of Directors. Environmental risks are managed by the Bank's Chief Credit Officer, Chief Investment Officer and Chief Risk Officer.

### Environmental Do Not Do List

First Republic Bank does not directly lend to businesses operating in the following environmentally sensitive industries:

- Fossil fuel extraction<sup>3</sup>
- Fossil fuel pipelines
- Natural gas distribution
- Fossil fuel electric generation
- Nuclear electric power generation
- Hydroelectric power generation
- Forestry
- Mining and quarrying
- Commercial fishing

<sup>1</sup> As of September 30, 2021.

<sup>2</sup> Includes 2020 reported Scope 1 and Scope 2 CO<sub>2</sub>e emissions for peer banks listed in First Republic Bank's 2021 Proxy Statement.

<sup>3</sup> As of November 24, 2021, First Republic has one loan commitment to a fossil fuel extraction company with \$0 outstanding. The Bank plans to exit this loan when contractually possible in 2022.

# CO<sub>2</sub>e Emissions, Carbon Offsets and RECs

All data is preliminary and subject to a year-end independent audit.

## CO<sub>2</sub>e Emissions (Mt CO<sub>2</sub>e)

	2021 Projected Annual CO <sub>2</sub> e Emissions <sup>1</sup>	2018-2020 Average Annual CO <sub>2</sub> e Emissions (Preliminary) <sup>2</sup>
Scope 1 Emissions	3,000	2,617
Scope 2 Emissions	7,000	6,646
Scope 3 Emissions (Operational) <sup>3</sup>	20,000	15,118
<b>Total</b>	<b>30,000</b>	<b>24,381</b>

## Purchased Electricity (Megawatt Hours)

	2021 Projected Annual Megawatt Hours <sup>1</sup>	2018-2020 Average Annual Megawatt Hours (Preliminary) <sup>2</sup>
Scope 2 Purchased Electricity <sup>4</sup>	30,000	28,056

## 2021 Carbon Offsets and RECs (Mt CO<sub>2</sub>e)

	2021 Mt CO <sub>2</sub> e	Supplementary Information
Carbon Offsets	25,000	1 offset = 1 metric ton of CO <sub>2</sub> e Purchase of offsets will cover more than 100% of CO <sub>2</sub> e emissions from 2021 Scope 1 and Scope 3 (operational).
RECs	10,000	1 REC = 1 megawatt hour of electricity Purchase of 39,000 RECs equivalent to 10,000 Mt CO <sub>2</sub> e will cover more than 100% of 2021 CO <sub>2</sub> e emissions from Scope 2 purchased electricity. <sup>4,5</sup>
<b>Total CO<sub>2</sub>e emissions covered</b>	<b>35,000</b>	Includes a buffer of 5,000 Mt CO <sub>2</sub> e on top of estimated Scope 1, Scope 2 and Scope 3 (operational) emissions.

<sup>1</sup> Projected full year 2021 CO<sub>2</sub>e emissions and electricity needs are based on 2021 year-to-date company data as well as historical company data from 2018-2020. Final CO<sub>2</sub>e emissions and electricity consumption will be made available in 2022 following an independent audit.

<sup>2</sup> Preliminary 2018-2020 emissions and electricity consumption are based on company data. Final CO<sub>2</sub>e emissions and electricity consumption will be made available in 2022 following an independent audit.

<sup>3</sup> Relevant operational Scope 3 categories include 3 of 14 categories of the Greenhouse Gas Protocol using the following principles for selections: size, influence, risk, stakeholders and sector guidance. These categories include: Category 1 – Purchased Computer & Office Supplies (subset of Category 1), Category 6 – Business Travel, and Category 7 – Employee Commuting. Excludes Category 15 – Investments.

<sup>4</sup> Scope 2 purchased electricity excludes purchased electricity that has been generated from renewable sources.

<sup>5</sup> First Republic's estimated full year 2021 purchased electricity is 30,000 megawatt hours producing an estimated 7,000 Mt of CO<sub>2</sub>e. By purchasing 39,000 RECs, equivalent to an estimated 10,000 Mt of CO<sub>2</sub>e, First Republic expects to cover over 100% of its purchased electricity consumption with renewable energy.

### Forward-Looking Statements

This fact sheet contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements about First Republic's expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "anticipates," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimates," "plans," "projects," "continuing," "ongoing," "expects," "intends" and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Forward-looking statements involving such risks and uncertainties include, but are not limited to, statements regarding the Bank's commitment to carbon neutrality and renewable energy. All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Any forward-looking statements are qualified in their entirety by reference to the factors discussed in the section titled "Risk Factors" in First Republic's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any subsequent reports filed by First Republic from time to time under the Securities Exchange Act of 1934, as amended. Further, any forward-looking statement speaks only as of the date on which the statement is made or to reflect the occurrence of unanticipated events.