



Evans Bank Corporate Social Responsibility Report 2022



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As a community bank, Evans is embedded in the neighborhoods and communities we serve. Throughout our Western New York footprint, our neighbors continue to rebound from a global pandemic that disrupted work and family life, shuttering businesses and impacting the local and national economy. Western New York is known for its resilience, and Evans shares that attribute and remains more committed than ever to playing a role in its resurgence.

As one of the last locally headquartered community financial institutions in the region, Western New York is not just another market to us. It is our company's birthplace, and more importantly, our home.

In 2022, that home experienced the best and worst of humanity as Buffalo found itself the focus of the nation as we faced unspeakable tragedy and unparalleled resilience.

On May 14, 2022, a racist gunman killed ten Buffalonians who were shopping in a neighborhood grocery store. Adding to the tragedy was the fact that the assailant traveled to Buffalo to commit this heinous crime, selecting the neighborhood because of its predominantly black population. As a result, the tragedy brought to a head the long-simmering issues of race, segregation and inequity in Buffalo. Rather than further divide the community, the resilience of our people prevailed. There has been an outpouring of support and concern from across the nation, bringing a renewed focus on these issues and underscoring actions needed to stop such practices, which had kept so many of our neighbors struggling. Over 40% of Buffalo residents live with oppressive poverty on a daily basis and have had limited opportunities for advancement.

Evans quickly contributed \$100,000 to the Buffalo Together Community Response Fund, managed by the Community Foundation and the United Way of Buffalo & Erie County. This collaborative effort is built upon the community's desire to take action to support Black-led organizations on the frontlines of addressing immediate needs, long-term neighborhood rebuilding, and systemic issues that have marginalized communities of color.

Ironically, the May 14th tragedy came during a time of great progress for East Buffalo, which had been benefitting from an influx of public/private

investments in the area. Of note, this was the fourth year of Evans Bank's five-year \$100,000 pledge to East Side Avenues, which creates paths to prosperity through commercial, historic and human investment. Those investments have begun to bear fruit with advances on several projects including the Michigan Street African-American Heritage Corridor, Central Terminal and the Broadway Market.

Philanthropy

This past year was our biggest yet for philanthropic gifts, as we made \$400,000 of total charitable contributions. Donations were made throughout our markets and included funding in support of first-time homeownership, education, economic development, small business technical assistance, poverty reduction, and racial justice initiatives.

Several of Evans Bank's long-term investments played critical roles in assisting some of our neediest neighbors in managing through this year:

- Our Westminster Commons branch, located in Westminster Commons Senior Community--an \$84 million affordable housing complex financed by Evans Bank-- not only continued to provide financial services to residents of one of Buffalo's most underserved neighborhoods, but also provided financial education for adults and youth including homeownership preparation and money management. Over 40 Evans associates participated in events for area residents, including neighborhood beautification, serving Thanksgiving dinner and a holiday party for seniors.
- Involvement in the Westminster Commons neighborhood led us to initiate, in conjunction with the City of Buffalo, the Adams Street Infill Housing initiative. This effort to build seven market-rate single family homes on vacant lots in East Buffalo, is the first such effort in the area and a prototype for similar developments in other city neighborhoods.
- Evans has partnered with the Greater Rochester Housing Partnership in the City of Rochester's innovative "Buy the Block" program, developing new, single-family, high-quality homes for qualified residents to purchase with affordable mortgages, with an overall goal of building up to 100 new homes in under-invested areas of the

city and assisting current homeowners in implementing home improvements through grants and free consultation, including roofing and exterior façade repairs.

- In recognition that 11.8% of our population is considered food insecure, Evans donated \$27,500 to support FeedMore WNY in 2022, through donations to its capital campaign and sponsorship of their Walk Off Hunger event. Through its food bank distribution center, partner hunger-relief agencies, home-delivered meal program and other targeted feeding programs, FeedMore WNY alleviates hunger throughout the community.
- The Evans Financial Fitness program conducted more than 50 in-person and virtual workshops in 2022, with over 80% of those directed toward underserved individuals or organizations in low- and moderate-income neighborhoods.

Work/Life Solutions

In 2018, Evans Bank and the United Way of Buffalo & Erie County partnered to create Work/Life Solutions. This workforce support program was based on a national model and helped employees of participating companies to deal with outside-of-work issues that threatened to distract them from their work or even impede their ability to maintain a job.

During the pandemic, Work/Life Solutions made it possible for essential workers—including health care workers, manufacturers and social service providers—to get the support they needed to continue to be on the front lines assisting others. In addition, the program provides a critical safety net for women, single parent families and others who do not have support networks.

Since its initial investment, Evans has contributed a total of \$600,000 to the program over four years. Work/Life Solutions now serves nine employers and nearly 2500 employees, has a staff of 3.5 full-time employees and has been held up as a national model. It provides resource referrals

from dedicated social workers, financial education, and a loan and savings program in which loans up to \$1,000 are repaid through payroll deduction, allowing borrowers to establish or improve credit and build savings. The Office of the Comptroller of the Currency has encouraged banks to offer small dollar loans, and Evans has been acknowledged for innovation and leadership in this area.

Of the 500+ loans that have been made to date, over 150 borrowers have kept their savings accounts open and active after their loans were fully paid and have saved over \$50,000—funds that will have an impact on their ability to deal with future emergencies.



Community Reinvestment

Evans currently holds an Outstanding Community Reinvestment Act rating for 2015-18 and is awaiting the results of its 2019-2021 CRA exam. The Bank is proud of its mortgage/small business lending, community development loans, investments, and service to our communities, with special attention on low- and moderate-income neighborhoods. In 2022, Evans made an investment of \$1 million in the Home Headquarters landlord lead abatement program to assist in the remediation of lead paint in older Buffalo housing stock, which is negatively impacting young children. A \$250,000 investment was made in the WNY Impact Fund, which helps identify equity opportunities that will provide a social and financial return and aims to improve both the economy and quality of life in Western New York.

Adams Street Infill Housing

After opening the Westminster Commons branch in East Buffalo in 2021, we met with local residents to identify areas of concern. The number of vacant lots in the neighborhood, which negatively impacts property values and livability, was a primary issue. Evans collaborated with the City of Buffalo Office of Strategic Planning, the local land bank, a local developer and a minority/women-owned realty company to embark on a program to build new market-rate housing adjacent to our branch. This is the first such project, and we hope it becomes a model which is replicated in other challenged neighborhoods.



Volunteerism

Understanding and supporting our community has always been a priority. We provide associates the opportunity to use paid time off to perform community service activities in their choice of ways and in 2022, this amounted to nearly 5,000 hours of service. Our efforts are designed to enrich the lives of not only those who are in need but also the lives of associates who participate in these meaningful and rewarding opportunities. As we move forward, we will continue to embrace service and approach it in a manner consistent with our philosophy by focusing on our associates, clients, and community.

Products and Services

The major metropolitan areas in our market, Buffalo and Rochester, both have poverty rates over 30%. As a financial institution, Evans has a unique opportunity to design and provide products and services that are responsive to the specific needs of our communities:

The Evans Affordable Mortgage is a mortgage product that offers underwriting flexibility, rate discounts, and closing cost assistance (lender credit) to qualified borrowers who meet specific income criteria. Buyers may borrow up to 97% of the subject property's value and are not obligated to obtain private mortgage insurance. A Homebuyer Counseling Certificate is required for first time homebuyer purchases. This product may be used for purchase, rate-term refinances, and rehab financing.

The Evans Neighborhood Mortgage offers underwriting flexibility and rate discounts, as well as closing cost assistance (lender credit) to qualified borrowers whose subject property is located within a low- and moderate-income census tract based on Federal Financial Institutions Examination Council (FFIEC) target areas. Borrowers are not obligated to obtain or bear the expense of private mortgage insurance. This product may be used for purchase, rate-term refinances, and rehab financing.

- Work/Life Solutions loan and savings program (see sidebar).
- Fee elimination/reductions. In the later part of 2022, Evans announced significant changes to our overdraft services, including a limit on the number of per item overdraft fees per day (reduced to three), the elimination of the per day extended overdraft fee, and a reduction of NSF/Overdraft fees. We also added the ability for clients to link a savings or money market account to their checking account to help prevent overdrafts at no additional cost. In 2023, we will be rolling out a new BankOn Certified, overdraft-free checking account.
- Translation Services. In service to the increasing refugee and immigrant population, Evans saw a four-fold increase in utilization of translation services in 2022.
- In 2020, we enhanced our Unsecured Consumer Loan product to better align with the needs of area residents of limited means, allowing for greater debt-to-income with a correlating credit score.

Sponsorship Support of Nonprofits

In addition to our philanthropic efforts, Evans also supports a number of non-profit organizations through sponsorship of fundraising events. In 2022, this support exceeded \$100,000 and was pledged to cultural organizations such as Shea's Performing Arts Center and Darwin Martin House; civic causes including the Buffalo Urban League, area Chambers of Commerce and Rotary Clubs; children's charities such as Make-A-Wish, Boys & Girls Clubs and Junior Achievement; and environmental causes including the Erie County Agricultural Society. Evans also reinforced its commitment to diversity by sponsoring events such as the Buffalo Juneteenth celebration, Pride events in Buffalo and Rochester, and the Puerto Rican/Hispanic Day Parade, as well as the Tee It Up for the Troops fundraiser for veterans' services.



Environment

Evans Bank has increased its commitment to the environment by consolidating three older, less energy-efficient offices into our new headquarters facility which provides improved energy-efficiency and occupancy. The Bank has also made several investments in environmental causes including GoBike Buffalo, which promotes an active mobility culture within connected and sustainable communities. The organization has renewed its focus on East Buffalo to ensure that residents have clean efficient transportation options.

Human Capital

As of December 31, 2022, Evans employed 379 full-time equivalent employees. At that time, the average tenure of all full-time associates was approximately 6.5 years while the average tenure of executive officers was approximately 13.7 years. We believe our employee relations to be good,

as evidenced by the Great Places to Work designation detailed elsewhere in this report. Oversight of Evans' corporate culture is an important element of the Board of Directors' oversight of risk because our people are critical to the success of our corporate strategy. The Board sets the tone and holds senior management accountable for embodying, maintaining, and communicating the Company's culture to associates. In that regard, our culture is designed to embrace associates and create opportunities. We uphold that principle in everything we do. That commitment has been a central pillar in our approach to associates and the communities we have proudly served for over 100 years. Our culture is designed to adhere to Evans' values of integrity, valuing others, talent, passion, ownership and alignment, and customer focus. In keeping with those values, we expect our people to treat each other and our clients with the highest level of honesty and respect and go out of their way to do the right thing. We dedicate resources to attract, develop and retain talented, diverse employees; promote an inclusive and safe workplace free of any form of discrimination or harassment; foster a culture of integrity, caring and excellence; and reward and recognize associates based on their individual results and performance as well as that of their department and the Company overall. We seek to design careers that are fulfilling, with competitive compensation and benefits alongside a positive work-life balance. We also dedicate resources to fostering professional and personal growth with continuing education, on-the-job training, and development programs.

Our associates are key to our success as an organization. We are committed to attracting, retaining and promoting top quality talent regardless of race, color, creed, religion, sex, national origin, age, disability, marital status, military and protected veteran status, sexual orientation, victims of domestic violence, gender identity, genetic information or predisposition or carrier status and any other category protected by law. We are dedicated to recognizing and respecting all the characteristics and differences that make each of our associates unique and add diverse perspectives that reflect all those we serve.

Our People

We are committed to ensuring that an inclusive culture is a strategic priority. One of our strategic plan goals is building the preeminent community financial institution, admired for performance, culture, integrity and talent. Through these efforts, our associates have certified Evans as a Great Place to Work® again in 2022 with an 87% engagement score and 85% of associates saying they consistently feel a sense of belonging, which we measure as the rate of inclusion within our culture. Our team realized a 13% increase in ethnic minority associates through concentrated recruitment efforts.

Associate Survey Highlights

Over 90% of associates feel they are treated fairly regardless of their sexual orientation, race, gender or age

92% feel good about the ways Evans contributes to the community

89% say people at Evans care about each other

89% say when they look at what we accomplish, they feel a sense of pride

Inclusion Diversity, Equity and Awareness

We believe employing a diverse workforce enhances our ability to serve our clients and our communities. Evans made significant strides this year in its commitment to Inclusion, Diversity, Equity and Awareness (IDEA) as we focused on driving the overall development, implementation, and communication of our Inclusive Strategic Plan. The Company also expanded its Supplier Diversity program to ensure that minority and women-owned businesses were bidding on and securing business from Evans, and it is ahead of target in all metrics.

Pay Parity

We strive to provide a safe and rewarding work environment for our team. We demonstrate this through an inclusive culture that continues to achieve pay parity between genders for those who identify as male or female, and across race and ethnic backgrounds. For us, pay parity means ensuring associates in the same job grade are paid relative to one another, regardless of their gender, race or ethnicity. We are proud to recognize pay parity and the efforts taken to ensure that equality in pay remains at the forefront at Evans.

Careers and Development

A career at Evans is one where individual influence and impact is accelerated through cross functional collaboration and teamwork. We come together to assist clients with customized and value-added financial solutions. We respect and welcome the uniqueness of individuals and achieve our goals through the efforts of committed associates throughout our organization. Through our talent development and coaching environment, 16% of associates attained career advancement in 2022.

Job Growth

Evans continues to be a contributor to the Western New York economy, providing employment to nearly 400 individuals in the region. Since 2019, we have added over 65 jobs in the Western New York and Rochester areas. Our median salary is \$66,152 with a comprehensive suite of employee benefits including health, dental, vision and life insurances, in addition to retirement planning vehicles. In 2022, Evans implemented a student loan reimbursement program that saved associates approximately \$40,000 in student loan principal and interest payments during the year.

Diversity in Governance and Management

Having diverse governance and management teams that represent the multifaceted perspectives of our community is of great importance to us. We continue to build upon our 41% diverse representation among senior management and 31% within our Board of Directors.



Associate Training

To ensure that all associates are free from harassment or discrimination on the basis of sex, gender or any other basis, Evans maintains a zero-tolerance policy regarding harassment or discriminatory conduct. Our Non-discrimination and Anti-harassment Policy prohibits harassment or discrimination by a supervisor, employee, client/customer, visitor, or representative of business with whom we interact as part of our job responsibilities. At least annually, Evans provides training for all staff and informs each registered vendor of our commitment to anti-harassment, non-discrimination and equal employment practices, as well as our commitment to diversity and inclusion and the role they have in these areas. In addition, 100% of associates complete training to review our Code of Conduct Policy which details ethical behavior the Company expects of every associate and Board Member.



Continuing Commitment

As we close 2022 and enter 2023, Evans remains committed to serving clients, associates, shareholders and communities and to ensuring that we are making a positive difference for all whom we serve.

