

Sustainability risk management disclosure

Managing out sustainability related risks

The Bancorp considers risk management an integral component of its governance framework, business operations, and strategic decision-making processes. As a federally insured financial institution, we have developed a robust enterprise-wide risk management (ERM) infrastructure that is intended to identify and mitigate a wide range of risks. In addition to our established system of internal controls, our ERM framework is intended to facilitate a culture of risk management with our business partners and third-party service providers. We recognize there are multiple risks that pose a potential threat to our operations, and we continuously review and update our risk management standards to adapt to the dynamic regulatory and consumer environment.

Sustainability risks contribute to our overall risk profile. We are committed to incorporating these risk considerations into our business practices in order to implement our business strategies more effectively. We have integrated relevant sustainability principles into our ERM framework. To date, The Bancorp has completed the following:

- Senior management has established a Sustainability Working Group, which consists of select officers and employees with expertise in relevant disciplines. The Sustainability Working Group evaluates the Bank's Sustainability risk profile, manages Sustainability strategy, and tracks the Bank's ongoing Sustainability-related performance against relevant benchmarks.
- We have formulated a Sustainability strategy that outlines the integration of relevant sustainable principles into our core values. Our new product processes require documented assessment and escalation of sustainability risks.
- We continue to expand our ERM monitoring and data collection activities to account for new and evolving sustainability risks and compliance requirements, and to ensure integration of sustainability-related principles into our risk management activities.

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