

# 2023

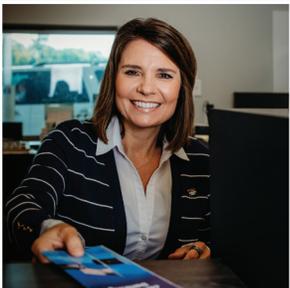
## ESG FACTSHEET



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# ABOUT US

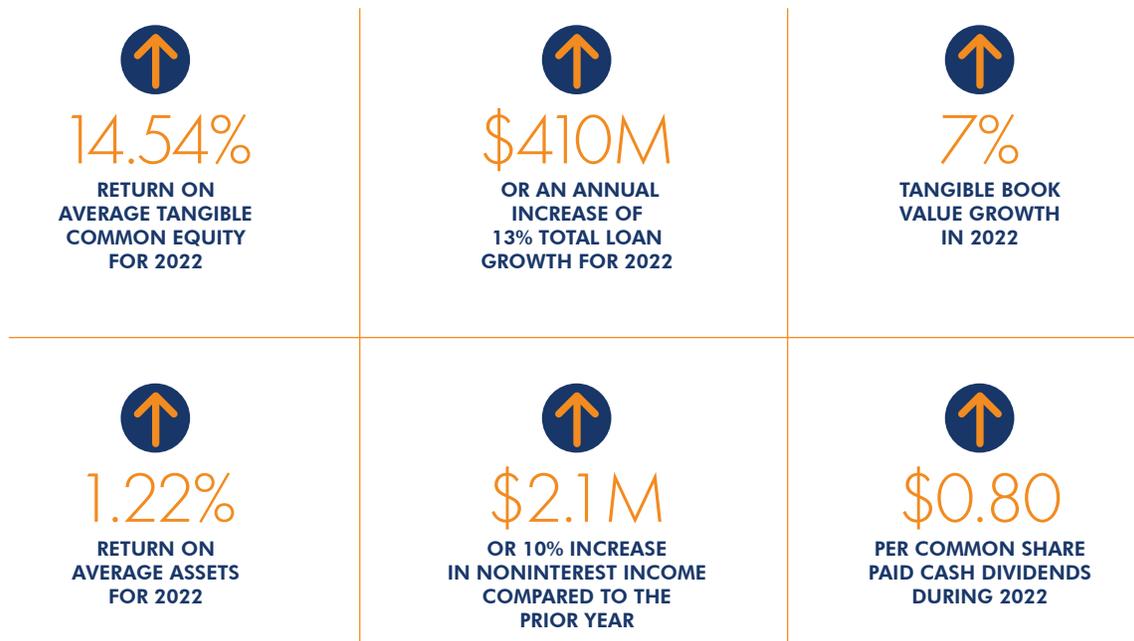
**MID PENN BANCORP, INC.** (“Mid Penn” or the “Corporation”) is a financial holding company incorporated in the Commonwealth of Pennsylvania with \$4.5 billion in total assets as of December 31, 2022. Formed in 1868, Mid Penn is committed to serving communities throughout Pennsylvania with comprehensive financial solutions. The Corporation provides a broad spectrum of financial services to businesses, real estate investors, consumers, nonprofit organizations, and municipalities. Mid Penn’s common shares trade on Nasdaq under the symbol MPB, and the company is headquartered in Harrisburg, Pennsylvania.

Mid Penn’s focus on developing long-term customer relationships is fundamentally intertwined with its business goals. Mid Penn believes that relationship-building is critical to its success and

achieves this through unparalleled customer service. Mid Penn is rooted in its support of the communities in which it operates, with retail offices in Berks, Blair, Bucks, Centre, Chester, Clearfield, Cumberland, Dauphin, Fayette, Huntingdon, Lancaster, Lehigh, Luzerne, Montgomery, Perry, Schuylkill, and Westmoreland Counties.

Mid Penn is an engaged partner with area businesses through commercial loans, SBA loans, cash management services, and lines of credit. The Corporation also is committed to providing the community with the best in personal banking, including checking and savings accounts, residential and investment mortgages, consumer loans, trust, wealth management, and insurance services. Mid Penn is proud to say that it was named one of “Newsweek’s Best Banks” in 2023, for a third consecutive year.

## Financial highlights for 2022 include:



### BEST SMALL BANK

Newsweek magazine evaluates more than 4,800 FDIC-insured financial institutions annually on 30+ criteria and named Mid Penn Best Small Bank in Pennsylvania on its America’s Best Banks list for 2023.

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# COMMITMENT TO SUSTAINABILITY

Mid Penn’s mission is to reward all of our shareholders, critically serve and support all of our customers and communities, and cherish all of our employees. As part of this overall mission, Mid Penn is focused on integrating environmental, social and governance (“ESG”) principles into how we conduct business. In 2022, Mid Penn built upon its ESG oversight framework and further outlined its ESG strategy. Our executive leadership team and Board established an internal committee that is tasked with driving and monitoring progress on key ESG issues, with a goal of increasing transparency, including the publication of this annual ESG report.

**The Board has formal oversight responsibility for Mid Penn’s sustainability programs and policies through its Nominating and Corporate Governance Committee and reviews our strategy, policies, and practices with respect to our ESG areas of focus, which include:**



Our Factsheet Report takes a materiality-based approach to disclosure and covers data through December 31, 2022, unless otherwise noted. This report was prepared in accordance with the Sustainability Accounting Standards Board (“SASB”) standard. In compiling this Factsheet, in 2022, Mid Penn completed a SASB materiality assessment. The assessment began by examining a range of key contributors — including investors, customers, colleagues, and ESG rating organizations. We then reviewed the recommended ESG topics for inclusion in the sustainability

disclosure, rating methodologies, investment decision-making, goal setting, and overall strategy.

We believe that improving our sustainable business practices is essential for long-term growth. Our core values of loyalty, professionalism, integrity, communication, and accountability reflect what is truly important to us as an organization. These values are the driving force behind our ESG commitment.



# ENVIRONMENTAL RESPONSIBILITY

We feel that good environmental stewardship is each person's and each business's responsibility. As such, we recognize the need to not only comply with increased regulations and stricter environmental standards, but also lead the way in doing even more. Mid Penn is committed to operating in a sustainable manner, reducing the environmental impact of our operations, and conserving resources thoughtfully. Mid Penn has undertaken a number of initiatives designed with those goals in mind.

**In 2022, we:**

## INCREASED

**THE USE OF E-RECORDS AND E-SIGNING TECHNOLOGY RESULTING IN A REDUCTION OF PAPER WASTE AND CARBON EMISSIONS.**

## ENCOURAGED

**ENVIRONMENTALLY-FRIENDLY WORKPLACE PRACTICES BY ADDING WATER FILTRATION SYSTEMS TO ALL FACILITIES IN ORDER TO DISCONTINUE THE USE OF DISPOSABLE PLASTIC WATER BOTTLES.**

## CONTINUED

**A MULTI-YEAR PROCESS OF CONVERTING ALL FACILITIES TO ENERGY EFFICIENT SYSTEMS AND LED LIGHTING TO MINIMIZE CARBON FOOTPRINT.**

## UPDATED

**THE INTERIOR FINISHES OF FACILITIES TO INCLUDE FLOORING THAT IS UL ENVIRONMENTAL CERTIFIED OR UL GREENGUARD CERTIFIED AND FURNITURE THAT IS LEED CERTIFIED.**



We also continue to look for opportunities to support organizations that advance sustainability initiatives. In 2022, we continued to support Pennsylvania Parks and Forest Foundation by hosting a companywide lunch and learn and donating money to plant trees at Boyd Big Tree Preserve in Dauphin County. We also contributed \$7,500 through the Educational Improvement and Tax Credit Program (EITC) to support environmental educational programming.

We believe that our focus on environmental responsibility, with the objective of reducing costs and improving sustainability of our operations, will provide a strategic benefit to Mid Penn. Furthermore, we recognize that climate change is a growing risk to our planet, and we are committed to doing our part to mitigate this risk by placing increased focus and emphasis on environmental consciousness.

### **OUR EARTH DAY CAMPAIGN IN 2022 INCLUDED THE FOLLOWING VOLUNTEER EVENTS:**

- Jacob's Creek Watershed Association**
- Plant a Tree at Flight 93 Event**
- Great American Clean Up in Berk's County**
- Lykens Community Development Corporation Inc.**

Mid Penn does not currently incorporate specific aspects of our environmental policy into our credit analysis. However, we actively seek loans meeting our accepted quality and underwriting standards from all communities in which we solicit deposits. We will generally avoid originating loans to borrowers located, or collateral secured, outside of the geographic areas designated in our guidelines.



# SOCIAL IMPACT

## EMPLOYEES

Our success depends on a highly-skilled, properly-motivated, and valued workforce. To that end, employees are provided with professional development opportunities to gain the skills and knowledge they need to advance the Corporation and fulfill personal career goals. In 2022, we continued to implement Human Capital Management practices to enable leaders to better hire talent and manage teams, including goal setting, performance evaluations, succession planning, and learning and development.

### Mid Penn invests in human capital by:

- **Mid Penn University, offering over 60 instructor-led classes on topics such as technical banking skills, compliance, business development, and more**
- **Partnership with HACC, Central Pennsylvania's Community College, providing cost-free higher education to full-time employees who endeavor to earn a degree while continuing to work**
- **Individualized development planning and career planning**
- **Performance coaching**
- **Mentor and emerging leaders programs**
- **Student internship program**



In addition, a Culture Committee was formed to identify, discuss, and plan ways to promote Mid Penn's corporate culture throughout the bank. We also offer competitive compensation and benefits packages that reflect the needs of our workforce. We offer medical, dental, and vision benefits, life and disability, parental leave, education reimbursement, and paid time off. We provide competitive retirement benefits including a 401(k)-match program. In addition to base salary and benefits, Mid Penn employees participate in incentive plans that support our organizational philosophy of allowing employees to share in the Corporation's performance and success. Since the start of the COVID-19 pandemic in 2020 and throughout 2022, the health and safety of Mid Penn's employees and their families has been our highest priority. In 2022, we continued the evaluation and evolution of our pandemic plan.



## SOCIAL IMPACT CONT.

Diversity, equality, and inclusion (“DEI”) is also central to our success at Mid Penn. Our commitment to diversity and inclusion starts with hiring, retaining, and developing a workforce that is diverse in background, knowledge, skill and experience. As of December 2022, women represented approximately 68% and self-identified racial and ethnic minorities represented approximately 11% of the Corporation’s workforce. With a view toward increasing the representation of women, underrepresented minorities, and the LGBTQ+ community on the Board, the Nominating and Corporate Governance Committee has identified a goal of achieving, over time, a balanced level of diversity in the composition of the Board.

Mid Penn has non-discrimination and anti-harassment policies as outlined in our employee handbook and a formal Code of Ethics. To encourage productive conversations within our organization, during 2022, we held internal forums to provide opportunities for all colleagues to participate in discussions on career growth, diversity initiatives, mentoring, and volunteerism. In 2022, a DEI Committee, comprised of employees, was established to further facilitate DEI dialogue. In addition, Mid Penn donated \$40,500 to various DEI initiatives throughout our footprint.

Mid Penn’s Women’s Leadership Network hosted its annual Empower event and contributed over \$16,000 to causes including the YWCA Carlisle and Cumberland Counties, Crime Victim Center of Fayette County, and Bethany House.



# SOCIAL IMPACT CONT.

## COMMUNITY

Mid Penn measures success not only in financial terms, but also in community impact. We are a community bank committed to investing in the financial health and well-being of our neighbors, and we believe that the success of our communities is a shared responsibility. In 2022, we raised and contributed \$2.41 million to 945 organizations through fundraising efforts, educational sponsorship, and community development partnerships. Our employees volunteered a total of 10,322 hours in the community.

Mid Penn's community initiatives center on three tenets: (1) Community Partnerships, including team members who teach financial education classes, (2) Community Investments, including affordable housing, workforce development, community service, and education, and (3) Community Involvement, where our employees are valuable participants in our communities.

**In 2022, Mid Penn is proud to have:**

### PARTICIPATED

IN THE BEYOND SCHOOL WALLS PROGRAM THROUGH BIG BROTHERS BIG SISTERS OF THE CAPITAL REGION, WHICH PROVIDES FINANCIAL EDUCATION AND MENTORSHIP TO HIGH SCHOOL STUDENTS.

### SUPPORTED

TRI-COUNTY HOUSING DEVELOPMENT CORPORATION, WHICH DEVELOPS AFFORDABLE HOUSING FOR LOW- AND MODERATE-INCOME INDIVIDUALS AND FAMILIES. MID PENN EMPLOYEES SERVED ON THE BOARD OF DIRECTORS AND TAUGHT NEW HOMEBUYER EDUCATION CLASSES.

### BOLSTERED

PRINCIPLES OF FINANCIAL LITERACY THROUGH THE MY SAVINGS ACCOUNT AND BANZAI, INC. PROGRAMS.

### AWARDED

ACADEMIC SCHOLARSHIPS TO DESERVING HIGH SCHOOL SENIORS THROUGHOUT PENNSYLVANIA.

### SERVED

AS AN EXECUTIVE BOARD MEMBER OF THE NEIGHBORHOOD HOUSING SERVICES OF GREATER BERKS, INC.

Mid Penn is passionate about being a good corporate citizen in the communities where we live and work. Going forward, the Corporation will continue to partner with nonprofit organizations that promote financial literacy, decrease the number of individuals facing economic barriers, provide affordable housing for low- and moderate-income individuals and families, and make our communities a reflection of our commitments and values.





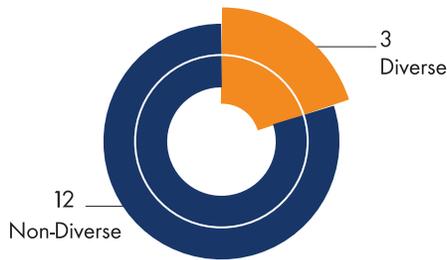
# GOVERNANCE AND ETHICS

As a publicly-traded community financial institution, it is incumbent upon Mid Penn to assure that our operations are conducted in a manner that is both consistent with environmental preservation and supportive of the entire community in which we operate. Mid Penn is committed to achieving excellence in our governance practices and to establish a strong foundation for the long-term success of our corporation. We conduct our business in a manner that is fair, ethical, and responsible to earn and maintain the trust of our customers, employees, investors, partners, and regulators.

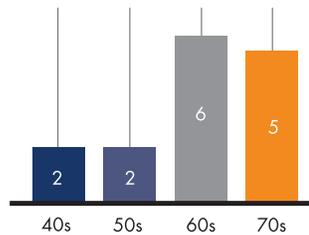
Our Board prioritizes corporate citizenship by aligning our ESG programs under our Nominating and Corporate Governance Committee, providing a formalized structure. With a view toward increasing the representation of women, underrepresented populations, and the LGBTQ+ community on the Board, the Board added two directors with diverse racial or gender backgrounds in 2021.

The Board also believes that director refreshment is an important component of good corporate governance and has set mandatory retirement age and term limits. By limiting the age and tenure of directors, the Board ensures that Mid Penn will benefit from a balanced mix of long-term institutional knowledge, fresh ideas, and independence from management, while promoting director engagement and mitigating against complacency. To that end, the Board has adopted a policy that, with certain limited exceptions for directors in office prior to January 1, 2020, requires a director to retire at age 70 and limits director tenure to a maximum of 15 years, in the aggregate. For more information regarding the director retirement and tenure policy, please refer to the Nominating and Corporate Governance Committee Policy and Charter available on Mid Penn’s website.

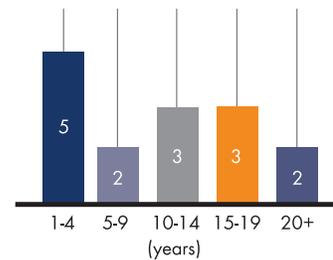
## BOARD DIVERSITY



DIRECTOR DIVERSITY

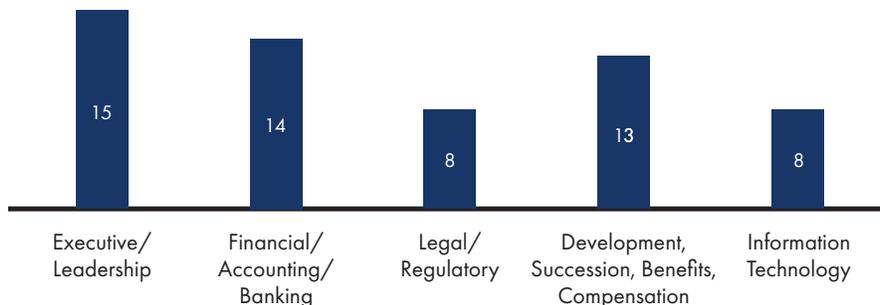


DIRECTOR AGE



DIRECTOR TENURE

## BOARD EXPERTISE





## GOVERNANCE & ETHICS CONT.

Our Code of Ethics ensures that our directors, officers, and colleagues comply with all applicable rules and regulations. Mid Penn's Board of Directors, consisting of 13 (out of 15) independent directors, is responsible for oversight of the management of Mid Penn and its business for the long-term benefit of our shareholders.

Our corporate governance policies and practices include evaluations of the Board and its committees, as well as continuing director education. Mid Penn's Whistleblower and Complaint Policy further supports our stated goals within our governance structure.

Our internal risk management teams oversee compliance with applicable laws and regulations and coordinate with subject matter experts throughout the business to identify, monitor, and mitigate risk, including information security risk management and cyber defense programs. These teams maintain rigorous testing programs and regularly provide updates to the Board. Mid Penn has a robust Information Security program that incorporates multiple layers of physical, logical, and written controls.

We leverage the latest encryption configurations and technologies on our systems, devices, and third-party connections and further vet third-party vendors' encryption, as required, through our vendor management process. IT maintains an IT Risk Assessment that is approved by the Board of Directors on an annual basis and monitored on a quarterly basis to the IT department's Cybersecurity Committee. Further, the IT department also conducts an annual FFIEC Cybersecurity Assessment.

### **FORWARD-LOOKING STATEMENTS**

Certain statements in this presentation made by Mid Penn are forward-looking statements, including those that discuss, among other things: strategies, goals, outlook, or other non-historical matters; Mid Penn's plans, objectives, expectations, and intentions; and the assumptions that underlie these matters. To the extent that any such information is forward-looking, it is intended to fall within the safe harbor for forward-looking information provided by the Private Securities Litigation Reform Act of 1995. Numerous factors could cause Mid Penn's actual results to differ materially from those described in such forward-looking statements, including the risk factors listed from time to time in reports that Mid Penn files with the U.S. Securities and Exchange Commission, including, but not limited to, the Annual Report on Form 10-K for the year ended December 31, 2022. Non-financial data contained in the Factsheet have not been prepared in conformity with generally accepted accounting principles ("GAAP") in the United States and have not been audited or assured.

# SASB TABLE

SASB TOPIC	SASB METRIC	SASB CODE	2022 DATA	NARRATIVE RESPONSE
<b>DATA SECURITY</b>	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1	(1) 0 (2) N/A (3) N/A	Mid Penn has not experienced a data breach.
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	Please see narrative response	<p>Mid Penn relies heavily on its information systems. Maintaining and protecting those systems and data is challenging and expensive. Any such failure, interruption, or breach could result in failures or disruptions in Mid Penn's customer relationship management, general ledger, deposit, loan, and other systems. A breach of Mid Penn's information security may result from fraudulent activity committed against Mid Penn or its clients, resulting in financial loss to Mid Penn or its clients, or privacy breaches against Mid Penn's clients. Such fraudulent activity may consist of check fraud, electronic fraud, wire fraud, "phishing," social engineering, identity theft, or other deceptive acts. To protect against threats and malicious activity, Mid Penn has implemented its information security program with consideration of guidance and regulations from its regulators, such as the FDIC or the Pennsylvania State Department of Banking, its third-party auditors, technical frameworks, and other industry sources and best practices. The policies, procedures, and technical safeguards put in place by Mid Penn to prevent or limit the effect of any failure, interruption, or security breach of its information systems and data may be insufficient to prevent or remedy the effects of any such occurrences. The occurrence of any failures, interruptions, or security breaches of Mid Penn's information systems and data could damage Mid Penn's reputation, cause Mid Penn to incur additional expenses, result in online services or other businesses becoming inoperable, subject Mid Penn to regulatory sanctions or additional regulatory scrutiny, or expose Mid Penn to civil litigation and possible financial liability, any of which could have a material adverse effect on Mid Penn's financial condition and results of operations.</p> <p>Mid Penn is exposed to the risk of cyberattacks in the normal course of business. An increased level of attention in the industry is focused on cyberattacks that include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. To combat against these cyberattacks, Mid Penn has certain security systems and policies and procedures in place to prevent or limit the effect of the possible security breach of its information systems and it has insurance against some cyber-risks and attacks. While Mid Penn has not incurred any material losses related to cyberattacks, nor is it aware of any specific or threatened cyber-incidents as of the date of this report, it may incur substantial costs and suffer other negative consequences if it falls victim to successful cyberattacks. In the event of any actual or perceived breach, Mid Penn will assess the nature and scope of the incident to identify the information systems and types of customer information affected. If it is found that customers' information has been negatively impacted as a result of its investigation, then Mid Penn will issue notice to its impacted customers as described in its Incident Response program.</p>

# SASB TABLE CONT.

SASB TOPIC	SASB METRIC	SASB CODE	2022 DATA	NARRATIVE RESPONSE
FINANCIAL INCLUSION & 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	(1) 777 (2) \$186,146,000	In December 2019, Mid Penn made the election to change from a bank holding company to a financial holding company as its subsidiary bank was well capitalized under the FDIC Improvement Act's prompt corrective action provisions, the holding company and Bank were deemed by the regulators to be well managed, and the Bank had at least a satisfactory rating under the Community Reinvestment Act.  591 Small Business loans for a total of \$145,053,000  183 Small Farm loans for a total of \$29,583,000  3 Community Development loans for a total of \$11,510,000
	(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	(1) 78 (2) \$11,237,997	As of 2022 year end, Mid Penn had a total of 50 CRA loans on nonaccrual for a total of \$6,922,645. At this time, we also had a total of 28 CRA loans that were past due 30 days or more for a total of \$4,315,352.
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	Please see page 8 of the Factsheet	
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	Please see page 8 of the Factsheet	
INCORPORATION OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FACTORS IN CREDIT ANALYSIS	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	Please see narrative response	Mid Penn actively seeks loans from all communities in which it serves that meet its high quality standards and go through its rigorous underwriting process.
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	Please see narrative response	Mid Penn has a policy governing risk management associated with lending to environmentally sensitive industries or properties. Loans deemed to be of higher environmental risk undergo additional scrutiny to ensure those risks are fully understood and mitigated when possible.

# SASB TABLE CONT.

SASB TOPIC	SASB METRIC	SASB CODE	2022 DATA	NARRATIVE RESPONSE
<b>BUSINESS ETHICS</b>	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	None (\$0)	Management is not aware of any such litigation; and as such, Mid Penn incurred no monetary losses resulting from legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.
	Description of whistleblower policies and procedures	FN-CB-510a.2	Please see narrative response	<p>The Whistleblower and Complaint Policy establishes the process for the receipt, retention, and treatment of complaints received by the Audit Committee of Mid Penn regarding accounting, internal accounting controls, and auditing matters. This Policy also establishes the process for the confidential, anonymous submission by employees of Mid Penn of concerns regarding questionable accounting or auditing matters. The Audit Committee, with the input of management, if requested, will determine the validity of a report and will determine corrective action, if necessary. It is the responsibility of the Audit Committee to inform management of any identified noncompliance with legal and regulatory requirements and to assure that management takes corrective action including reporting any violation to the relevant federal, state, or regulatory authorities, if required. Directors, officers, and employees that have violated any laws, governmental regulations, or Mid Penn policies will face appropriate, case-specific disciplinary action, which may include demotion or discharge.</p> <p>Mid Penn has also adopted a Code of Ethics, which provides for a procedure to report violations of the code.</p> <p>Both the Whistleblower and Complaint Policy and the Code of the Ethics provide for a means to report suspected violations anonymously and prohibit harassment, retaliation or adverse employment consequences for reporting violations.</p>
<b>SYSTEMIC RISK MANAGEMENT</b>	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1	Please see narrative response	The Financial Stability Board has not categorized Mid Penn as a G-SIB, and therefore this disclosure is not applicable.
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities	FN-CB-550a.2	Please see narrative response	Mid Penn regularly performs stress tests analyzing a variety of factors to determine the impact of various scenarios on both capital and earnings. The results of these stress tests are provided to the Board of Directors to inform discussions regarding capital adequacy planning and long-term strategy.
<b>ACTIVITY METRICS</b>	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	Personal <sup>1</sup> : 97,043 (\$2,016 M) Small Business: 4,529 (\$1,104 M)	
	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	FN-CB-000.B	Personal: 2,341 (\$62 M) Combined Small Business & Corporate: 6,403 (\$2,952 M)	

<sup>1</sup> This data includes all personal savings and checking accounts.