



**FIVE STAR BANCORP**

# 2024 Environmental, Social & Governance Report

fivestarbancorp.com | NASDAQ: FSBC



**Five Star Bancorp** is committed to  
Environmental, Social & Governance objectives  
that empower and inspire our shareholders,  
employees, clients, and community partners.

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“ For over 100 years, United Way California Capital Region has been committed to eliminating poverty by mobilizing our community to action so all can thrive. Working with community partners, like *Five Star Bank*, together, we are committed to lifting our region out of poverty. We are grateful for their support and know we can trust them to provide excellent customer service and a banking experience personalized to our organization. With Five Star Bank’s partnership, we are able to further our reach and continue to provide key programs that help kids excel in school, invest in families and strengthen our schools.

**DR. DAWNTÉ EARLY**

President & CEO

United Way California Capital Region





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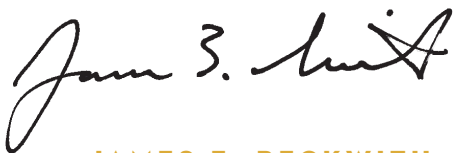


# Letter from our CEO

Five Star Bancorp's speed to serve and certainty of execution have earned the trust of our employees, clients, and community partners. We continue to gain further trust as thought leaders focused on Environmental, Social & Governance (ESG) initiatives.

The Company has taken a proactive approach to ESG and believes our ability to manage these initiatives demonstrates strength in leadership and governance essential to sustainable growth. We are executing ESG strategies we believe will drive positive change while focusing on the impact of our business on the communities we serve.

We remain committed to the economic development and sustainability of our region. In this report, we outline our engagement and the purpose-driven banking that defines the ESG trajectory of our organization.



**JAMES E. BECKWITH**  
President & Chief Executive Officer







## Environmental, Social & Governance Objectives

**The Company** strives to drive positive change while honoring the dynamic regulatory environment surrounding ESG reporting. We remain steadfast in this commitment and are pleased to share highlights in our 2024 ESG report.

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# Environmental

*Environmentally Sustainable Solutions  
& Environmental Contributions*





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*Five Star Bank* has been a trusted partner in Breathe California Sacramento Region’s life-saving work for over a decade. Five Star has been a rock, proactively seeking ways to help us streamline and access resources. With this solid foundation of support and trust, we look forward to many more productive years in the Greater Sacramento Region with Five Star Bank by our side.

JENNIFER FINTON  
CEO, Breathe California Sacramento Region

## The Company’s Environmental Impact

Finding ways to conserve resources and reduce environmental impact is a continuous effort. In 2024, the Company made progress toward sustainability practices. Green activities such as shredding unused paper, having and using recycling bins across the enterprise, expanding our digital impact, and using energy efficient lighting have contributed to minimizing the Company’s climate carbon footprint.

### Breathe California Sacramento Region (Sacramento)

We are committed to supporting our clients who dedicate their time and efforts to help our communities be sustainable and create a positive environmental impact for years to come. Since 1917, our client, Breathe California Sacramento Region has been advocating for clean air and healthy lungs through education, community involvement, and creative solutions to impact policy.

### Eco-Alpha (Sacramento)

Our client, Eco-Alpha Environmental and Engineering Services, Inc. is a certified small women-owned minority firm headquartered in Sacramento. Eco-Alpha takes on their clients’ most complex natural resource and engineering problems, creating new pathways for innovative solutions. They partner with state and federal governments, cities, and businesses, and tap deeply into the diverse experts across their organization – in water, environment, engineering, and industry.

### Key Performance Indicators: Environmental Contributions

#### Paper Waste Reduction Program

- Across 11 office locations, the Company saved approximately **608 trees**

#### Digital impact

- Remote deposit capture and mobile deposit capture clients are up **25.7%** year over year
- Remote deposit capture and mobile deposit capture make up **80%** of total bank deposits
- **87%** of clients are online banking users

#### Energy Efficient Buildings

- The Company believes in utilizing energy efficient buildings, and in 2024, **4 out of 9** office locations were sustainable offices, including a LEED Platinum Certified building in San Francisco.



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# Social

*Supporting Clients Who Serve Others*





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The *Five Star Bank* team has been so supportive of our organization's mission and the work we do. They have made it super simple to bank with them and have gone above and beyond to help us make our money work for us. I am grateful to have a local bank that cares.

JENNA BERRY  
Executive Director, Raising Shasta

## The Company's Social Impact

### Building Sustainable Communities: Community Services & Economic Development

Supporting individuals who lack access to the basic care they need to help them live a healthy and prosperous life is very important to us. We are proud to support clients who focus on doing just that.

#### Raising Shasta (Redding)

We are proud to support organizations that value children and families in need, especially those who have experienced trauma in their lives. Our client, Raising Shasta (formerly known as Pathways to Hope for Children), serves as an umbrella for a wide range of projects throughout Shasta County that offer community outreach, youth development, family support, and child abuse prevention education and awareness activities.

complicated issues that impact one's health, including access to health and behavioral care, adequate food, and housing. Their goal is to remove obstacles so all people have an equal opportunity to be healthy and lead a life of dignity and humanity, which doesn't just change lives, but builds stronger, healthier communities.

#### Community HealthWorks (Sacramento)

Our client, Community HealthWorks, provides personalized and culturally responsive support to help individuals overcome barriers to care, receive needed social services, and navigate complex systems. They address some of the most

#### CareMessage (San Francisco)

Our client, CareMessage, leverages technology to improve the health equity of people from low socioeconomic backgrounds. With 20 million patients reached since 2013, CareMessage is the only patient engagement solution proven to improve health equity at scale.





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Working with *Five Star Bank* has been instrumental in advancing our mission to support diverse small businesses. Their partnership has enabled us to provide critical education and improved access to capital, empowering entrepreneurs to navigate the loan process and achieve their business goals. By supporting our efforts, Five Star Bank has played a key role in creating opportunities for underrepresented businesses and advancing economic equity across the communities we serve.

**LAUREN OTO**  
Executive Director  
California Asian Pacific Chamber of Commerce Foundation

California Asian Pacific Chamber of Commerce Foundation (Statewide)

We believe in supporting small businesses and business leaders to help them grow and thrive in the regions we serve and beyond. Our client, California Asian Pacific Chamber of Commerce (CalAsian) Foundation, is dedicated to accelerating the success of the local, state, and national Asian American and Pacific Islander (AAPI) communities. They empower AAPI leadership through relationship building, workforce development, civic engagement, and political participation. Their programs have been specifically designed to help AAPI leaders, entrepreneurs, and organizations gain access to development training and resources.

TMC Community Capital (San Francisco)

TMC Community Capital is a non-profit microlender committed to providing fast and affordable online financing, fostering financial stability, and encouraging entrepreneurship among women-owned, low-income, and under-resourced small businesses in California.

KPIs: Community Reinvestment

Community Development Loans

As reported in the Bank’s July 2024 CRA Performance Evaluation, the Bank originated 136 community development loans totaling **\$207.3 million** from January 2021 to July 2024. In 2024 alone, the Bank originated 43 community development loans totaling **\$62.4 million or 1.68%** of Average Assets. All community development loans were made within the Sacramento, San Francisco, Chico, and Redding Assessment Areas for the following purposes:

- Affordable Housing
- Community Services
- Economic Development
- Revitalize or Stabilize





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***Five Star Bank*** has been an exceptional partner in our mission to expand science, technology, engineering, and mathematics (STEM) education. Their support has enabled us to reach more at-risk, low-to-moderate-income high school students, providing them with hands-on opportunities to explore and thrive in STEM fields. We couldn't do it without them!

**HENRY CHANG**

Co-Founder, HumanBulb

## Building Sustainable Communities:

Education, Workforce Development & Affordable Housing

### HumanBulb (Sacramento)

Our client, HumanBulb, is a non-profit organization with the mission of unleashing innovation through equity-focused innovation entrepreneurship education and acceleration programs for youth and professionals.

### Mission Preparatory (San Francisco)

Mission Preparatory equips students with the knowledge, skills, and strength of character needed to succeed in college and serve as leaders in their communities. The school educates students throughout San Francisco and the surrounding Bay Area communities, with a particular focus on students in the southeastern part of the city. The Mission Preparatory School addresses the need for a free, public, college-preparatory school that provides a rigorous, high-quality K-8 education in San Francisco. With an uncompromising commitment to upholding the highest academic and behavioral expectations for all children, Mission Preparatory is designed specifically to address the learning needs of an underserved and underperforming student population.

## KPIs: Community Reinvestment

### Community Development Investments

As reported in the Bank's July 2024 CRA Performance Evaluation, the Bank made community development investments and donations totaling approximately **\$53.2 million** during the period January 2021 to July 2024, all within its combined assessment areas. These were comprised of:

- **\$51,921,000** – community development investments
- **\$1,274,000** – donations and grants given directly to local community development organizations
- The above totals do not include the December 31, 2024 book balance of prior period investments of **\$7,823,000**





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Moving our accounts to *Five Star Bank* was a game changer. Whether it's a simple transaction or more complex advice, they're always responsive, knowledgeable, and genuinely caring. I especially appreciate their commitment to supporting our mission, local business, and community initiatives. With Five Star Bank, I feel confident that our financial needs are in good hands, and I feel good about supporting a bank that truly cares about the success of affordable housing in California.

**JENNA ABBOTT**

*Executive Director, California Council for Affordable Housing*

## Building Sustainable Communities: Affordable Housing

### California Council for Affordable Housing (Statewide)

We proudly serve clients who are in support of providing housing to families and seniors in need. California Council for Affordable Housing (CCAH) is dedicated to facilitating the development and expansion of affordable housing in the State of California. CCAH devotes its resources to tracking relevant state and federal legislation, monitoring current housing development and finance programs, and making recommendations on appropriate housing and programs.

## Building Sustainable Communities: Arts

### Blue Line Arts (Roseville)

Blue Line Arts is a regional cultural hub committed to fostering impactful arts experiences. Through exhibitions, educational programming, and public arts initiatives, they support a full creative life for all. Blue Line Arts is also committed to championing policies and practices of cultural equity that empower a just, inclusive, and equitable nation.

### San Francisco Opera Guild (San Francisco)

San Francisco Opera Guild engages with the community and recognizes authentic voices as they emerge through the practice of music and storytelling. They support young artists in their development of world view, artistic expression, and leadership potential. San Francisco Opera Guild's programs help young people grow into curious and caring citizens with a strong sense of self and empathy for others.



# Core Values

*We foster a sense of urgency toward thoughtful action.*

*We hire, retain, and develop client-centric talent.*

*We create a culture of belonging and engagement through a diverse and inclusive workforce.*

*We engage with our community for mutual success through representation, innovation, and investment.*

*We fulfill commitments as promised, on time, and with the highest standards.*

*We serve clients and colleagues with professionalism and respect.*

## Building an Inclusive & Belonging Culture

To support our efforts to create a culture of inclusion and belonging, we provide various training, professional development resources, and feedback opportunities.

This year, we launched our first Employee Resource Group (ERG) for young professionals. The Young Professionals ERG aims to create a vibrant community of early-career employees who are engaged, empowered, and equipped with the tools they need to succeed in their careers. Through networking, mentorship, and development opportunities, the program not only benefits participants, but also contributes to the overall success of the organization.

Every year, we conduct an anonymous Employee Engagement survey to receive honest employee feedback which sets actionable items for Company leadership. Quarterly, Company leadership meets with all employees to discuss their feedback, keys wins, opportunities, and successes experienced over the previous quarter. Lastly, the Human Resources team engages in one-on-one meetings with every employee to discuss career aspirations, growth, and training opportunities.

## Equal Opportunity

We create opportunities for the advancement of our employees through on-the-job and off-site training. Some of this training has resulted in significant promotions. One such training is aimed at those on the front line who aspire to grow and thrive in their careers. The training offers perspective on emotional intelligence, employee engagement, hiring, and leading a team. In 2024, we promoted 47 employees, 29 of whom were women and 22 of whom were from diverse races and ethnic backgrounds.

## Cultural Banking

Effective banking depends on the trust of our clients. We believe trust between client and banker is best facilitated by embracing and understanding shared experiences, as well as differences. By building a diverse workforce, we aim to create opportunities to develop positive and impactful business relationships with all the communities we serve. We believe a diverse workforce will ultimately benefit both the Company and those the Company serves.

## Empowering Women Entrepreneurs & Leaders

We believe in the impact of connecting, supporting, and celebrating women in business. Five Star Bank hosts women in business events highlighting the success of our clients and partners. These events connect women entrepreneurs and women leaders across the region, resulting in business collaborations and partnerships. Influencing our clients' success while celebrating our brand loyalty translates to revenue. The Company's support of women in business and in leadership also positively affects corporate culture by promoting authentic, meaningful, and mutually beneficial business relationships.





## *Congratulations!*

The success of one woman is inspiration for another. At **FIVE STAR BANK** we celebrate the women on our team who have been recognized for leading with vision, supporting our community, and igniting a spirit of collaboration in our region.

*Pictured Left to Right:*

**Sacramento Business Journal's 40 Under 40 Honoree**

Maria Soria, Vice President / Director of Community Relations

**Sacramento Business Journal's C-Suite Award**

Heather Luck, Senior Vice President / Chief Financial Officer

**Sacramento Business Journal's Women Who Mean Business**

Lakhwinder Kaur, Senior Vice President / Sacramento Valley Market President

**Association of Latino Professionals For America's 50 Most Powerful Latinas Honoree & NAWBO Sacramento Valley's Outstanding Women Leaders' Executive Woman Award**

Lydia Ramirez, Senior Vice President / Chief Operations Officer and Chief DE&I Officer



## Workforce Demographics & Impact

### 2024 Workforce Demographics

- **58.6%** of total workforce were women
- **46.2%** of total workforce were from diverse races and ethnic backgrounds

### 2024 Senior Vice Presidents & Above

- **37.5%** of the Executive team were women
- **25%** of the Executive team were from diverse races and ethnic backgrounds
- **43.5%** of Senior Vice Presidents and above were women
- **32.6%** of Senior Vice Presidents and above were from diverse races and ethnic backgrounds

## Volunteer Impact

- Five Star Bancorp is extensively engaged with a wide range of non-profits and economic development corporations through direct charitable giving and active board engagement. In 2024, employees contributed a total of **1,563** volunteer hours across **79** organizations performing **712** activities
- Averaged **8** volunteer hours per full-time employee



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# Governance

*Board Oversight / Demographics*



Role of Board of Directors

The Company’s directors, in their role of overseeing the sound management of the Company, have the responsibility to exercise their business judgement in what they believe to be in the best interests of the Company and the shareholders, taking into account the interests of the employees, the clients, and the community at large, and in so doing manage risk and enhance the long-term value of the Company.

Ethics – Code of Conduct

The Board expects its directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company’s Code of Conduct, as well as its Code of Conduct and Ethics and Conflict of Interest Policy for Directors (collectively, “Code of Ethics”). Directors are expected to be familiar with, and to follow, the Code of Ethics to the extent applicable to them. If an actual or potential conflict of interest arises that involves a director, that director shall promptly inform the Governance and Nominating Committee. The Governance and Nominating Committee shall recommend to the Board the appropriate action to be taken. If the Board determines that a significant conflict exists which cannot be resolved or addressed, the director should resign.

Board Structure

The Board will have at all times an Audit Committee, Compensation Committee, and a Governance and Nominating Committee. Members of these committees will be

independent directors of the Board and independent under any criteria also applicable to the relevant Board committee, in each case as established by the SEC, Nasdaq, and any applicable laws and regulations. The Board may, from time to time, establish or maintain additional committees, as it deems necessary or appropriate.

Director Participation

Each Board member is free to suggest the inclusion of items on a meeting agenda and to present any Board meeting subjects not on the agenda for that meeting. Information and data important to the Board’s understanding of the business to be conducted at a Board or Board committee meeting should generally be distributed to the directors before the meeting.

Director Independence

Independent directors play an important role in assuring investor confidence by overseeing and guarding against conflicts of interest. The Board shall be comprised of a majority of independent directors, as defined under the Nasdaq Stock Market Rules (the “Nasdaq Rules”).

Access to and Communication with the Board of Directors

Shareholders and interested parties who wish to contact the Board of Directors or Chairperson of the Board should address correspondence to the Corporate Secretary, Five Star Bancorp, 3100 Zinfandel Drive, Suite 650, Rancho Cordova, CA 95670. The Corporate Secretary will review and forward

correspondence to the appropriate person or persons for response.

Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. Communications may be confidential or anonymous. Communications may also be referred to other departments within the Company. The Company generally shall not forward to the directors a communication that it determines to be primarily commercial in nature or related to an improper or irrelevant topic, or that requests general information about the Company.

Board Refreshment

The Governance and Nominating Committee is responsible for periodically reviewing with the Board the independence of each person proposed for election or appointment to the Board. Directors are requested to inform the Chairperson of the Board and the Chairperson of the Governance and Nominating Committee of any circumstance that might reasonably affect his or her independence under the standards described in these guidelines. The Board shall publicly disclose its independence determination for each director when the director is first elected to the Board and annually thereafter.

KPIs: Board Oversight & Demographics

Independence Oversight as set Forth by Nasdaq Listing Standards

Our board of directors has evaluated the independence of its members based upon the rules of Nasdaq and the SEC. Applying these standards, our board of directors has affirmatively determined that, except for one, each of our current and former directors who served during the fiscal year ended December 31, 2024, is an independent director, as defined under the applicable rules.

- **91%** Independence Oversight

Board of Directors Demographics

- **42%** were women or from diverse races and ethnic backgrounds
- **25%** were women
- **17%** were from diverse races and ethnic backgrounds



# Locations

**CHICO BANKING OFFICE**

1370 E. Lassen Avenue, Suite 100  
Chico, CA 95973  
530.924.5121

**DOWNTOWN SACRAMENTO  
OFFICE (NON-DEPOSITORY)**

555 Capitol Mall, Suite 985  
Sacramento, CA 95814  
916.306.1655

**ELK GROVE BANKING OFFICE**

9250 Laguna Springs Drive, Suite 102  
Elk Grove, CA 95758  
916.714.2444

**NATOMAS BANKING OFFICE**

2400 Del Paso Road, Suite 100  
Sacramento, CA 95834  
916.640.1500

**RANCHO CORDOVA  
BANKING OFFICE**

3100 Zinfandel Drive, Suite 100  
Rancho Cordova, CA 95670  
916.851.5440

**REDDING BANKING OFFICE**

358 Hartnell Avenue, Suite B  
Redding, CA 96002  
530.223.6652

**ROSEVILLE BANKING OFFICE**

2240 Douglas Boulevard, Suite 100  
Roseville, CA 95661  
916.626.5000

**SAN FRANCISCO  
BANKING OFFICE**

345 California Street, Suite 2875  
San Francisco, CA 94104  
415.278.7400

**YUBA CITY BANKING OFFICE**

855 Harter Parkway, Suite 350B  
Yuba City, CA 95993  
530.431.0950







3100 Zinfandel Drive, Suite 100  
Rancho Cordova, California 95670  
916.851.5440  
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**Five Star Bancorp** maintains a healthy, sustainable environment  
through the responsible use of renewable resources.



Printed on Forest Stewardship Council® certified paper.  
The FSC®'s mission is to promote environmentally  
sound, socially beneficial, and economically prosperous  
management of the world's forests.

