



ENVIRONMENTAL SOCIAL & GOVERNANCE REPORT

UNIVEST FINANCIAL CORPORATION

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Univest Financial is a community- and employee-centric organization that believes in putting our core values of tradition, integrity, excellence, community and spirituality into action while delivering an excellent customer experience. With a Mission Statement that challenges us to be a strong leader in our markets and active in our

communities, being a responsible corporate citizen is at the core of how we operate.

As we strive to be the best integrated financial solutions provider in the market, we realize that our vision can only be achieved if we serve the best interests of all of our constituencies – our customers, our communities, our employees and our shareholders – in a socially responsible manner. Environmental, social and governance (ESG) considerations are incorporated into the Univest culture and are integrated into the policies and principles that govern the way we do business.

Whether by providing financial solutions to individuals, businesses and nonprofit organizations, maintaining an active role in our communities, investing in our employees, striving to cultivate a diverse and inclusive work environment, or maintaining strong governance, risk management and internal controls, Univest's focus on these important ESG considerations allows us to continue to serve and support our customers, communities, employees and shareholders. The following report outlines our commitment to corporate responsibility and how we live it at Univest.

Sincerely,

Jeffrey M. Schweitzer
President and CEO

ADVANCING SUSTAINABILITY

To promote sustainability, Univest has taken several steps to manage the environmental impact of our buildings:

- A comprehensive recycling plan is in place at all Univest locations
- Green cleaning products and recycled trash bags are used at all Univest locations
- We have installed energy efficient LED lighting in 46% of our locations
- 54% of our locations have motion detecting light switches in private offices, breakrooms and conference rooms
- We have made upgrades to energy efficient HVAC systems in 30% of our locations with one location utilizing a geothermal system
- 89% of our locations utilize programmable thermostats
- One Univest location is LEED certified
- Univest continually strives to increase sustainability across our operating footprint

As part of our ongoing effort to refine and improve the delivery of banking services to our customers, Univest makes ongoing investments in our comprehensive suite of digital offerings. Our mobile banking app and online banking include services such as bill pay and electronic statements which offer both increased convenience for our clients and a positive impact on the environment.

In addition, we support the environmental goals and energy-saving efforts of our clients. Through our subsidiary Univest Capital, Inc. we offer commercial leasing and have financed \$5.6 million of solar equipment. In addition, through our commercial lending business we provide financing to various environmentally friendly and sustainable businesses.

Our wealth division, Girard, takes an active approach to socially responsible investing that aims to simultaneously achieve goals related to ESG risks as well as financial goals. Girard's approach to investing does not consider ESG investing as an independent strategy or a method only employed for particular clients. Instead, its strategy views environmental, social, and governance issues as risks within the portfolio, just as it would view any other risk. Those risks need to be evaluated and play an important role in any responsible investment management strategy. Girard considers various independent, third party analysis from leaders in ESG research as an extension of its internal process. The team has a long history of creating customized approaches that incorporate the ESG priorities and preferences of institutional and retail clients and believes that environmental, social, and governance risks should have a material impact on capital allocation for long-term investors.

SUPPORTING OUR COMMUNITIES

2019 Year in Review



\$2.0m
FINANCIAL CONTRIBUTIONS



486
ORGANIZATIONS SUPPORTED



20,300
VOLUNTEER HOURS



30
CONNECTING WITH COMMUNITY DAYS

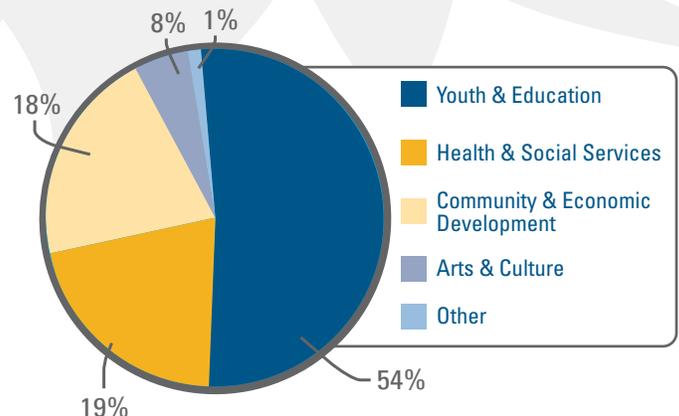


3,279
STUDENTS EDUCATED

Charitable Giving

Strengthening our local communities is at the heart of Univest’s culture. We firmly believe in giving back to the communities we serve by providing financial support, encouraging employee volunteerism and serving in leadership roles for nonprofits. We focus our giving in the areas of youth and education, health and social services, community and economic development, and arts and culture. Helping to improve the quality of life in the communities we serve is our way of making a difference each day. In 2019, through our Committed To Local philanthropic giving program, Univest donated to nearly 500 organizations totaling more than \$2.0 million.

For 2020, despite the COVID-19 pandemic, we have remained steadfast in our commitment to supporting our local communities. In fact, we have increased our giving and as of the end of November, we had donated more than \$123,222 to COVID-19-related relief efforts for individuals and businesses throughout our service area. This is in addition to our normal areas of giving which is on track to align with the donations we have made in past years. Continuing to make these investments during uncertain and vulnerable times is a testament to our corporate values and unwavering commitment to serving the communities in which we operate.



Employee Volunteerism

Univest's Connecting with Community volunteer initiative is one of the pillars of our philanthropy program. In 2019, we provided our employees with 30 half-day service projects to choose from in support of local charitable organizations. In addition to these Connecting with Community opportunities, we encourage our employees to volunteer independently and they truly bring our community core value to life. In 2019, Univest employees volunteered 20,300 hours.

In addition to being generous with their time, our employees also supported our annual fundraiser for the United Way. Through voluntary payroll deductions and a silent auction, Univest employees raised more than \$89,000. They also participate in annual holiday drives to gather items such as gifts, food and personal hygiene items for local nonprofits.

Promoting Financial Literacy

As a socially responsible company, we are committed to promoting financial literacy in the communities we serve. We provide financial literacy education to our communities and tailor presentations to cover topics appropriate for students of any age from preschool to older adults. In 2019, our employees shared their expertise to educate more than 3,270 students and community members through a variety of programs and partnerships. One example is our partnership with EverFi, a financial education innovator. We underwrite the cost for local schools to provide their students with access to an online course that utilizes interactive, cutting edge technology to educate students on critical financial concepts. In addition, we have an active blog to which we regularly post informative articles on financial topics from budgeting to saving for retirement to tips for first-time homebuyers.

Providing Cybersecurity Education

To help our customers protect themselves against cybersecurity and fraud risks, Univest provides information and tips on our website for protecting personal information and avoiding identity theft and other scams. We also provide information on steps that customers can take if they believe they are a victim of fraud or identity theft. Education is also provided on topics such as ATM skimming and popular scams.

In October 2020, Univest partnered with the American Bankers Association for an industry-wide campaign called "Banks Never Ask That." The goal of the campaign was to share information on cybersecurity risks, particularly those that employ social engineering. Cybersecurity awareness tips were delivered through Univest's social media pages (Facebook, Instagram, Twitter and LinkedIn).

Univest is also diligent about educating employees on cybersecurity. Regular emails from our Chief Information Security Officer inform employees of scams and how they can do their part to keep the Univest network and customer information secure.

Community Investment

Univest strives to meet the banking and credit needs of the local communities in which it does business, including the low- and moderate-income neighborhoods, in compliance with the Community Reinvestment Act.

INVESTING IN OUR EMPLOYEES

Univest is committed to attracting, developing and retaining a diverse team of employees and enhancing the employee experience by providing a supportive, positive work environment where employees are treated fairly and are valued as Univest's greatest asset.



In 2020, Univest was named a Top Workplace in the Delaware Valley by The Philadelphia Inquirer ranking 14 out of 30 companies earning the honor in the "Large Company" category. This award was based on feedback provided through an employee survey administered by a third party in which 88% of Univest's employees participated.

Diversity and Inclusion

Univest is committed to fostering, cultivating and preserving a culture of diversity and inclusion. We embrace and encourage our employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

Univest's diversity initiatives are applicable – but not limited – to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; layoffs; terminations; and the ongoing development of a work environment built on the premise of gender and diversity equity that encourages and enforces:

- Respectful communication and cooperation between all employees
- Teamwork and employee participation, fostering representation of all groups and perspectives
- Employer and employee contributions to the communities we serve to promote a greater understanding and respect for diversity

All employees of Univest have a responsibility to treat others with dignity and respect at all times. All employees are expected to exhibit conduct that reflects inclusion during work, at work functions on or off the work site, and at all other company-sponsored and participative events. All employees are also required to complete annual diversity awareness training to enhance their knowledge to fulfill this responsibility.

Our Diversity, Equity and Inclusion Committee was established to ensure that our workplace is a supportive environment with equal opportunities for everyone. The Committee reports progress on our Diversity, Equity and Inclusion Strategic Plan to the Board of Directors quarterly.

Equal Opportunity Employer

Univest strives to be an employer of choice for people from all backgrounds and experiences and actively works to create a diverse and inclusive environment. Univest's recruiting efforts support its commitment to equal employment opportunities. Human Resources lists job openings with the Commonwealth Workforce Development System as well as with several area agencies specializing in the placement of females and minorities. Job fairs are held at Univest's offices and at locations sponsored by community groups. Corporate representatives visit area schools to recruit students and offer advice on careers in banking. In addition, recruitment advertising is featured in a variety of different sources and job websites reflecting our commitment to providing equal opportunities within our geographical labor market.

Training and Development

At Univest, the training and development of our employees is a priority. Annually, we invest more than \$80,000 in tools, training programs and continuing education to help our employees build their knowledge, skills and experience. We provide in-house training to employees on topics including leadership and professional development, cybersecurity, risk and compliance and technology. In addition, as part of "Univest University," we provide several certification programs including a Skill Builder Certification Program, a Supervisor Certification, a Leadership Certification and an Advanced Leadership Certification. These programs include courses that address communication skills, customer service, managing conflict, alternative management styles, business ethics and emotional intelligence. During 2019, we provided approximately 22,300 hours of training to our employees.

Tuition Reimbursement and College Partnership Programs

In addition to our internal training efforts, we provide a Tuition Reimbursement Program where costs for undergraduate degree, graduate degree, and advanced intensive technical training programs from an accredited college or university are eligible for reimbursement up to \$3,500 per calendar year.

Univest also participates in a College Partnership Program in which our college partners provide a variety of discounts and services for Univest employees. Each school offers unique incentives.

Employee Assistance Program

Univest recognizes that life presents many challenges both at work and at home. An Employee Assistance Program is in place to help employees navigate these challenges. Employees and members of their families may utilize counseling services freely and confidentially. Employees working in Montgomery and Bucks counties utilize Penn Foundation and all other employees utilize Integrated Behavioral Health.

Employee Compensation and Benefits

Univest has competitive compensation and comprehensive benefits. We have governance mechanisms, systems and controls in place that are intended to provide our employees equitable pay for the work that they do, regardless of who they are. Our benefits package includes health care coverage, retirement benefits, life and disability insurance, wellness and employee assistance programs, paid time off and leave policies and more. We have begun to direct our benefit spend toward lower-wage earners and provide those employees with higher insurance subsidies.

SERVING OUR CUSTOMERS

Support Amid COVID-19

As our nation was forced to adapt to new demands amid the COVID-19 pandemic, Univest was well positioned as a Small Business Administration approved lender to participate in the Paycheck Protection Program. More than 175 employees from departments across our organization worked tirelessly to secure funding for our customers. Univest successfully originated approximately 2,550 loans totaling approximately \$510 million and funding approximately 46,700 jobs. Thanks to their hard work and dedication, we were able to secure funds for 93% of our customers who applied.

Additionally, for more than 1,400 customers negatively impacted by the pandemic, we modified their loans and leases in response to the pandemic. These modifications included principal and/or interest payment deferrals.

In 2020, businesses in the city of Philadelphia were not only impacted by the pandemic, but also by civil unrest that led to destruction of property and additional closures. In response to these challenges, Univest led the charge to create the Micro-Loan Recovery Program enlisting four other local banks to participate and provide 10-year low-interest rate loans ranging from \$3,000 to \$25,000 to businesses within the City of Philadelphia. By providing accessible loans for business owners, the goal is to keep businesses open and operating in Philadelphia.

Digital Solutions

Another impact of the COVID-19 pandemic is reduced in-person transaction volumes at our financial centers. We have made significant investments and improvements in our digital capabilities and have seen customer adoption increase. Continuing to address this trend in customer preference by serving customers when and how they choose while also driving efficiencies in our operation is one of our strategic priorities. Investing in our digital evolution allows us to remain competitive and improve efficiency. Thanks to our strategic commitment to improving technology, Univest's comprehensive suite of digital solutions includes an updated online banking platform and mobile app for the consumer bank. These digital banking systems offer increased security, the ability to securely chat with our customer support team, deposit checks, transfer money and more. In addition, mobile apps are available to our wealth and insurance clients. For the commercial bank, we leverage the power of nCino to create a streamlined commercial loan origination system that allows for credit integration, faster decision making and quicker loan bookings.

Meeting the unique needs of the communities we serve is a priority at Univest. To do so, we participate in a number of loan programs that provide the opportunity to be an active, socially responsible corporate citizen.

Community Lending Programs

Through support of programs and organizations that are making a difference in the local communities we serve we are able to help provide affordable financial options. Examples include serving as a partner for the Restore, Repair, Renew program which is an initiative of the City of Philadelphia and the Philadelphia Redevelopment Authority to help homeowners access low-interest loans to invest in their properties. Univest also participates in First Front Door, a first-time homebuyer grant program that provides qualifying homebuyers with \$3 in grant assistance for every \$1 they contribute, up to a maximum of \$5,000, to be used for down payment and/or closing costs. Support for other programs includes Home4Good which helps those who are homeless or at risk of homelessness by channeling dollars to local service organizations, and the Affordable Housing Program that provides grants and subsidized loans for the acquisition, construction or rehabilitation of affordable housing for households with incomes at or below 80 percent of the area median income.

As we strive towards our vision of being the best integrated financial solutions provider in the market, we take pride in delivering competitive, convenient solutions and exceptional customer experience while maintaining an active role in the communities we serve.

PROMOTING SOUND GOVERNANCE

In fulfilling our mission to be a strong, influential leader in the markets we choose to serve, Univest believes there is nothing more important than its reputation for integrity. Our board of directors, officers, and employees are bound by the highest principles of ethical conduct. Univest's Corporate Governance Principles spell out our commitment and initiatives to comply with not only the regulations, but also with the true spirit of responsible corporate governance. A majority of our Board of Directors consists of independent directors.

Univest strives to maintain a diverse Board in terms of beliefs, background, education, experience, gender and race. Our Board of Directors includes two African Americans, one of whom is a female. An additional female currently serves as an Alternate Director and has been appointed as a Director effective January 1, 2021. As always, we seek to add diverse individuals who contribute unique business perspectives to the Board, benefiting Univest as a whole.

The Corporate Governance Principles and the charters of the Nominating and Governance Committee, Compensation Committee, Audit Committee and Enterprise-Wide Risk Management (ERM) Committee establish a framework for the governance of the Board and oversight of the organization. Among their responsibilities, these committees oversee a range of matters pertaining to ESG topics. All of the members of the Audit, Compensation and Nominating and Governance Committees are independent as defined in the listing standards of the NASDAQ Stock Market and SEC regulations.

Nominating and Governance Committee

The Nominating and Governance Committee is responsible for developing criteria for identifying and selecting individuals to be nominated for election as a member of the Board and an alternate director, including a commitment to high standards of personal and professional integrity, business experience, areas of expertise, community relationships, and other skill sets that would complement the existing Board composition and foster a diverse, equitable and inclusive environment and that are consistent with the Corporation's strategic vision.

Compensation Committee

The Compensation Committee reviews and approves Univest's compensation and benefit programs. As part of its oversight responsibilities the committee also reviews the relationship among risk, risk management and compensation, including the avoidance of practices that would encourage excessive or unnecessary risk-taking.

Audit Committee

The Audit Committee performs an annual review of the selection of the Corporation's independent registered public accounting firm, reviews with the internal auditors and independent registered public accounting firm the overall scope and plans for the respective audits as well as the results of such audits, and reviews with management, the internal auditors and independent registered public accounting firm the effectiveness of accounting and financial controls, and interim and annual financial reports.

Enterprise-Wide Risk Management (ERM) Committee

The ERM Committee, which consists of members of the Board and management, provides a framework to proactively identify and evaluate potential risks to Univest and to mitigate those risks to the fullest extent possible. The enterprise-wide risk management process encompasses any potential risk (inherent business risk or residual risk) that can adversely affect Univest's reputation, earnings potential or franchise value. The work of the ERM Committee is also intended to provide a sound basis for integrated risk management and internal controls as key components of good corporate governance. Univest's core values drive a culture of high performance matched against the highest ethical standards and business practices.



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