

The logo for svb, consisting of the lowercase letters 'svb' in white on a blue rectangular background.

Financial Group

# Corporate Responsibility Report 2021

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A Review of Our  
Environmental, Social  
and Governance Practices

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## About this Report

This report represents Silicon Valley Bank's transition from a reporting focus on social responsibility to incorporate our environmental, social and governance (ESG) strategies and actions for the fiscal year ended December 31, 2020, unless otherwise noted. We have taken several actions and made new disclosures in 2021 to build our ESG program, some of which are also represented in this report. Our full-year 2021 report is expected to be available in Q2 2022.

We reference and disclose our information based on several disclosure frameworks: the Sustainability Accounting Standards Board (SASB) Commercial Bank Sector Standard, the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) and the World Economic Forum's Stakeholder Capitalism Metrics, in addition to separately responding to CDP.

Included in this report are short features on some of our many innovative clients. These are included to illustrate our client focus as well as the types of companies with which we work.

Thank you for your interest in our ESG programs and practices and the work we do to help the world's most innovative companies and their investors reach their ambitious goals, collectively striving to build sustainable businesses, care for people and protect our planet.



# Our Commitment to ESG



## Message from Our CEO

For nearly 40 years, Silicon Valley Bank (SVB) has been a trusted partner to innovators and their investors. We've grown from a single office in San Jose, California, to a global financial services leader. We've thrived — along with our many amazing clients — through multiple economic cycles and enormous technological change. Still, the arrival of a pandemic in 2020, coupled with growing urgency for progress on social and economic equality and combatting climate change, gave us even greater motivation.

As the bank of the innovation economy, our business strives to support entrepreneurs, enterprises and investors who see challenges as opportunities to unlock solutions for a better world. We are focusing our energy and resolve in several ways:

- Investing in our business to benefit our clients and support our employees
- Expanding our commitments to build a more inclusive and diverse innovation economy and to fight for an environmentally sustainable planet
- Continuing to uphold the principles of strong corporate governance to maintain the confidence of our stakeholders
- Accelerating our support of stronger communities, including investing in affordable housing and economic development

Here's how we see it: We are in this together with our clients and our partners. Our ability to make a positive difference is exponentially larger than our size because of the outsized impact our clients often make. They develop incredible solutions — such as vaccines and therapies, clean water for poor nations and funding sources for microbusinesses — and they create jobs around the world. We are extremely proud of our clients' success, fueled in part by our partnership. We seek maximum impact from our investments to increase social equity, economic opportunity and environmental sustainability by focusing on initiatives that are core to our business and that leverage our strengths.

**Our vision for inclusiveness: Foster a workplace and an innovation economy that offer opportunity for all.** SVB is committed to strengthening our workplace culture of inclusion, welcoming fresh ideas and perspectives and improving gender, racial and ethnic representation across our workforce and in our leadership. We are proud of our culture, and we always look for new ways to help our employees learn, contribute their full talents and build their careers. We continue to enhance transparency and accountability, publishing more detailed workplace demographic metrics, including our US Equal Employment Opportunity data, and increasing recruitment, career development and advancement programs aimed at women, Black and Latinx employees. In December 2020, we appointed SVB's first Chief Diversity, Equity & Inclusion Officer.

Beyond SVB, we are expanding opportunities for underrepresented individuals across the innovation economy. That means providing more access to educational and career opportunities, more support for small business and entrepreneurial success and more investments in partners who believe as we do that more people should share in the benefits of the innovation economy.

In just three years, our hallmark program, Access to Innovation, has touched thousands of people, many of whom had not been involved in the innovation economy. The program works to increase representation and funding, with a focus on women, Black and Latinx individuals. This includes hiring and mentoring, educational and networking opportunities, expanding access to capital and diversifying the venture capital (VC) ecosystem. We plan to invest \$50 million in our programs and partnerships in the next five years to change more than 25,000 lives. While there is still much work to do, we are heartened that we are not alone in this but in purposeful collaboration with many of our clients and partners.

**Our strategy for environmental sustainability: Advance technologies that contribute to a healthier planet.** We can have the greatest impact by using our unique position as a partner and funder of innovators to support companies and their investors that are developing



solutions to help transition to a low-carbon economy. Companies tackling these challenges tend to be far more capital-intensive than other technology companies, and we will be increasing our financial commitment to businesses that are advancing technologies that promote environmental sustainability.

Extreme weather events and climate-related upheaval are also driving our heightened focus on managing our own risks related to climate change. At SVB, we are deepening integration of climate risks and opportunities into our governance structures, business strategy, risk management and public reporting. We are pleased to publish herein our initial Task Force on Climate-Related Financial Disclosures (TCFD) Report and will continue evolving our climate strategy and disclosures in line with the Financial Stability Board's TCFD recommendations.

**Our plan for giving back: Supporting our communities through investment, lending, philanthropy and volunteerism.** Innovation is driving enormous economic growth, and as a leader in the innovation economy we believe that more people should benefit from it. It is our opportunity and responsibility to support unserved and underserved communities in which we live and work. Our commitments to address the impacts of the COVID-19 pandemic, support social justice and equity causes and expand our decades-long investments in community development have grown substantially.

With our 2021 acquisition of Boston Private, we announced our five-year, \$11.2 billion Community Benefits Plan that will begin in 2022 and focus on community philanthropy and investments in affordable housing and the financial needs of low- and middle-income residents in California and Massachusetts. These programs are designed to expand access to small business and entrepreneurship, homeownership and innovation economy careers to those who may not have had such access in the past.

In response to the pandemic, we have developed support programs for employees, clients and our communities, including donations for global, regional and local relief related to healthcare, food, shelter and small business support. We donated \$20 million in net fees paid to us by the Small Business Administration's Paycheck Protection Program (PPP). Those funds are being used to support additional COVID-19 relief; a new full-ride, needs-based University Scholarship program; economic development; and diversity, equity and inclusion (DEI) efforts through 2022.

Our employees play an essential role in these activities, actively engaging with their communities by donating time, expertise and their own funds. Their commitment through many programs, including our annual week of volunteer service called Tech Gives Back, helps SVB work toward our Pledge 1% goal; we aspire to annually donate 1% of our time and profit to charity.

**Our commitment to responsible governance: Uphold transparency and accountability through ethical principles and practices.** Our values reinforce our culture in which our employees, corporate leaders and Board of Directors can have confidence that we will always strive to do the right thing. Our governance practices prioritize transparency and accountability to all of our stakeholders, including investors, clients, regulators, partners and our communities. We regularly engage our stakeholders to continue to earn their trust in us.

As you will read in this report, championing innovators and giving back to our communities have long been fundamentally intertwined with our business goals, and we are learning and improving as we grow. Today, SVB is strongly positioned for continued growth because of our focus on innovation, long-term strategy, committed leadership, motivated employees and inspirational clients and partners. The personal and collective challenges we experienced in 2020 and 2021 have made us more intentional and more willing to embrace new thinking, new investments and new collaborations to tackle social and environmental challenges. We look forward to continuing to advance innovation for a better world.



**GREG BECKER**

President and Chief Executive Officer, SVB Financial Group  
Chief Executive Officer, Silicon Valley Bank



# About SVB

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SVB Financial Group helps the world's most innovative companies and their investors achieve their ambitious goals via four core businesses, including commercial banking with Silicon Valley Bank, investment banking with SVB Leerink, private banking and wealth management with SVB Private Bank, and funds management and investment with SVB Capital.

Having worked with thousands of innovation economy companies and investors for nearly 40 years, we have insights and connections that make SVB an important partner to our clients. We aim to increase our clients' probability of success by offering differentiated financial services and insights to companies and business leaders in the technology, life science and healthcare, private equity and venture capital, and premium wine industries.

Our strategic focus on the fast-growing, job-creating global businesses that make up the innovation economy enables us to have an outsized impact on some of the biggest issues of our time. More than ever, we consider it our responsibility to be agents of change by taking care of what matters. We do this by working with promising companies and partners and by providing an inclusive culture in which our employees can learn, grow and work together toward a more just world. Our dedication to supporting evolving technologies specifically enables us to contribute to creating a more equitable, zero-emission economy.

SVB is headquartered in Santa Clara, California, and has offices in centers of innovation around the world. Please find more information at [svb.com](https://svb.com).



# Facts at a glance:

(as of year-end 2020 unless otherwise noted)

**1983**

Founded

**4,461**

Employees

**15**Locations across  
US states**37<sup>TH</sup>**Largest US  
bank (based on  
asset size as of  
12/31/2020 per the  
Federal Reserve)**9**

Countries

## Supporting small businesses\*

**\$336M**

in loans

**4,172**

total loans

\*A small business loan is defined as a loan amount less than or equal to \$1 million to businesses with gross annual revenue less than or equal to \$1 million.

## Creating opportunities for underrepresented\* people in the innovation economy

Goals by 2025:

**\$50M**dedicated to impact **25,000** lives

\* We are committed to addressing social oppression in all forms with a focus on women, Black and Latinx representation.

## Financial Highlights

**\$116B**

in total assets

**\$243B**

in deposits and client investment funds

**\$45B**

in total loans

## Contributing to not-for-profits

**\$12.5M**in total  
corporate giving**16,000+**employee  
volunteer hours

## Financing Affordable Housing\*

**\$850M**

in investments

**\$1.4B**

in loans

**10,000**

approx. total affordable housing units

\* since 2002

## In good company

- America's Most Responsible Companies 2021 — *Newsweek*
- Best Banks in America — *Forbes*
- America's Best Mid-sized Employers — *Forbes*
- Fastest-Growing Companies — *Fortune*
- Top Corporate Philanthropist — *Bay Area Business Journals*
- Among the 100 Most Sustainable US Companies — *Barron's*
- Selected for inclusion in the *Bloomberg Gender-Equality Index*
- Inclusion in the *Goldman Sachs JUST U.S. Large Cap Equity ETF*
- Member of Pledge 1%

# Our Approach to ESG

## SVB's Values



**We start with empathy for others**



**We take responsibility**



**We speak and act with integrity**



**We keep learning and improving**



**We embrace diverse perspectives**

## Living Our Values

Our ESG program is guided by our purpose, grounded in our values and aligned with our strategic focus on the innovation economy. We are working holistically across SVB and with our stakeholders to build a broad scope of ESG initiatives, leveraging our dedication to innovation companies and our capabilities, resources and networks to drive the most impact.

In 2020, we identified key areas of focus based on our purpose and strategy, stakeholder feedback, ESG reporting frameworks and standards, and industry best practices.

## Key ESG Topics for SVB

Environmental	<ul style="list-style-type: none"> <li>– Climate and environmental finance and investment</li> <li>– Climate and environmental risk management</li> <li>– Climate and environmental impacts from operations</li> </ul>
Social	<ul style="list-style-type: none"> <li>– Diversity, equity and inclusion across our leadership, workforce, supply chain and communities</li> <li>– Company culture</li> <li>– Talent attraction, retention and development</li> <li>– Community development, financial inclusion and economic equality</li> <li>– Lending and investment activities</li> </ul>
Governance	<ul style="list-style-type: none"> <li>– Quality of leadership (including skills and diversity)</li> <li>– Risk management and oversight</li> <li>– Regulatory compliance and ethics</li> <li>– Cybersecurity and data privacy and protection</li> </ul>

Informed by this assessment, we are currently advancing seven strategic initiatives that are built to address critical, long-term sustainability needs for SVB, our stakeholders and the world around us.

1. Engaging and empowering our employees
2. Promoting diversity, equity & inclusion at SVB
3. Championing DEI in the innovation economy
4. Supporting our communities
5. Providing access to affordable housing
6. Financing environmentally sustainable solutions
7. Practicing responsible corporate governance



# ESG Program Governance

Our ESG program governance aligns with our corporate governance model and includes Board and Executive Committee oversight, dedicated program management and a commitment to transparency and accountability. Our ESG Program Office, established in 2020, facilitates robust communication and coordination across our Board, executive leadership and cross-functional working groups to provide varying levels of oversight.

## ESG Program Governance and Oversight

<p><b>Board of Directors</b></p>	<ul style="list-style-type: none"> <li>– Oversight and review of overall ESG Program</li> <li>– Oversight of alignment of ESG objectives and goals (climate, DE&amp;I) with Corporate Strategic Plan, as appropriate</li> <li>– Review of progress against ESG objectives and goals</li> </ul>
<p><b>Board Committees</b> (Governance + Risk, Compensation as needed)</p>	<ul style="list-style-type: none"> <li>– Primary committee oversight of program, goals and progress under Governance Committee</li> <li>– Oversight of relevant goals and metrics under other applicable committees</li> <li>– Reviews of risk assessment and controls under Risk Committee</li> </ul>
<p><b>CEO</b></p>	<ul style="list-style-type: none"> <li>– Oversight of SVB's ESG program across business units and functions</li> <li>– Reviews and approves ESG goals</li> <li>– Provides relevant updates in company communications</li> </ul>
<p><b>Executive Committee</b></p>	<ul style="list-style-type: none"> <li>– Own and implement ESG plans through functional responsibilities</li> </ul>
<p><b>ESG Executive Champion</b> (Chief Marketing, Strategy &amp; Innovation Officer)</p>	<ul style="list-style-type: none"> <li>– Executive oversight, sponsorship, and accountability for program execution across enterprise</li> <li>– Risk oversight through Strategic Risk Management framework</li> <li>– Ensures integration of ESG and business strategy</li> </ul>
<p><b>ESG Program Office</b></p>	<ul style="list-style-type: none"> <li>– Develops ESG strategy, roadmap, goals, policies, KPIs, budget, and measurement</li> <li>– Responsible for execution, coordination, reporting, and communications</li> <li>– Program Office led by our Director, ESG Program Lead and Director, ESG Climate Risk and Strategy</li> </ul>
<p><b>ESG Advisory Committee</b></p>	<ul style="list-style-type: none"> <li>– Provides input and strategic direction to ESG team and Working Groups</li> <li>– Ensures business unit or function accountability for program execution as well as strategy and goals alignment</li> </ul>
<p><b>ESG Working Groups</b></p>	<ul style="list-style-type: none"> <li>– Cross-functional working groups execute on specific ESG initiatives</li> <li>– Green Team led by employees focused on internal sustainability interests</li> </ul>



## Board Oversight of ESG

The Board of Directors monitors SVB's ESG program and practices to align with our core business strategy and stakeholder interests. The Governance Committee of the Board of Directors provides primary Board-level oversight and receives periodic updates from management on ESG initiatives and performance.

## Executive Committee

SVB's Executive Committee oversees the ESG program and provides guidance to the ESG Program Office on ESG risks and opportunities related to SVB's business. Our Chief Marketing and Strategy Officer is our ESG Executive Champion who provides executive oversight, sponsorship and accountability for program execution across the enterprise.

## ESG Program Office

Our dedicated ESG Program Office, under the leadership of the Head of Corporate Social Responsibility, is responsible for execution, coordination, reporting and communication regarding our ESG activities. The ESG Program Office partners with our business and operations teams to develop and implement our ESG programs, processes, policies and measurement to integrate ESG risks and opportunities into the way we do business.

## ESG Advisory Committee

Additionally, our ESG Advisory Committee evaluates SVB's overall ESG strategy and makes key strategic and implementation-related recommendations delivered by the ESG Program Office to the Executive Committee as needed. This committee comprises C-suite or direct reports to C-suite members across business lines.

## ESG Working Groups

Our various ESG working groups execute, oversee and review various aspects of our ESG strategy directly supporting the ESG program. Many of these working groups, facilitated by the ESG Program Office and comprising cross-functional business and operations employees, are developing and will evolve over time.

Working Group	Key Oversight Responsibilities
Climate Risk	<ul style="list-style-type: none"> <li>– Develops, monitors and supports implementation of the climate risk strategy, policy and risk management process</li> </ul>
Communications and Disclosures Working Group	<ul style="list-style-type: none"> <li>– Proposes, creates and reviews ESG disclosures and reporting</li> </ul>
Investments	<ul style="list-style-type: none"> <li>– Currently as a new working group, each business unit provides a monthly update on sustainable-investing-related initiatives and client engagement and discusses opportunities to collaborate and share best practices</li> </ul>
Operational Climate Working Group	<ul style="list-style-type: none"> <li>– Monitors and manages the climate impacts of SVB operations, including leased offices, data centers and employee travel</li> <li>– Accounts for emissions, identifies emissions reduction initiatives and ensures implementation of those initiatives</li> </ul>
Risk Working Group	<ul style="list-style-type: none"> <li>– Develops, monitors and supports implementation of the ESG risk strategy and policy</li> </ul>

### Recent ESG Program Governance Highlights

- As we build our ESG program, we are focused on ensuring that all of our initiatives are underpinned by strong governance and transparency.
- We continue to expand our ESG Program Office, including hiring a new Director of Climate Risk & Strategy in 2021.
- We are integrating ESG into our risk taxonomy as well as working toward an Environmental and Social Risk Management Policy Statement. This new policy provides a framework for identifying, managing and communicating the environmental and social impacts and risks that may be associated with SVB clients and portfolio companies.



## Transparency and Accountability

Aligned with our longstanding commitment to transparency and accountability, our ESG reporting is designed to provide our stakeholders with meaningful data on ESG focus areas that are material to our business. Our ESG disclosures are informed and updated by our business strategy, stakeholder feedback, evolving best practices and leading ESG frameworks, standards and guidelines, which continue to evolve.

We continue to develop and improve on our reporting efforts and have taken several steps to expand our public reporting:

- Transitioned the Living Our Values area on our website to feature ESG-related content and disclosures
- Expanded the ESG section of our proxy disclosure
- Provided more detailed workforce diversity metrics, a DEI Report and UK gender pay gap reporting and posted our 2020 EEO-1 Report to our website
- Conducted our greenhouse gas emissions inventory as per the guidelines of the Greenhouse Gas Protocol and completed our CDP questionnaire responses in 2020 and 2021
- Published our ESG performance in accordance with the Sustainability Accounting Standards Board (SASB) Commercial Bank Standards, Version 2018-10
- Published our inaugural Task Force on Climate-Related Financial Disclosures Report, which focuses on UK and US physical risk
- Published our ESG performance per the Stakeholder Capitalism Metrics developed by the World Economic Forum.

All of these reports can be found on the ESG reporting page on our website.



See Climate Risks and Opportunities: SVB's Task Force on Climate-Related Disclosures Report of this report for TCFD and the Appendix for details about our CDP, SASB and World Economic Forum disclosures.

# ESG Program Recent Highlights

## Engaging and Empowering Our Employees

Our employees are our most important asset and our key differentiator, so we strive to foster a workplace environment in which our employees can learn, grow, do meaningful work and further their careers while collaborating to increase our clients' probability of success.

- Invested in new collaboration and efficiency tools to help employees complete work more easily
- Conducted biannual employee engagement survey to measure employee satisfaction and happiness

## Promoting Diversity, Equity & Inclusion at SVB

We embrace diverse perspectives and foster a culture of belonging.

- Hired our first Chief Diversity, Equity & Inclusion Officer (CDEIO)
- Enhanced our workforce and Board diversity metrics
- Launched Employee Resource Groups

## Championing DEI in the Innovation Economy

Our signature Access to Innovation program creates new opportunities for underrepresented groups across the innovation economy.

- Set goal to commit \$50 million over five years to impact 25,000 individuals and engage 12,500 of our clients in our efforts

## Supporting Our Communities

SVB is a committed philanthropic partner in the communities in which we live and work, supporting corporate and employee giving and volunteer activities, aspiring to give back 1% of our time and net income annually as a member of Pledge 1% and delivering on our Community Reinvestment Act and community development objectives.

- Donated \$12.5 million to charitable causes, and \$20 million dollars in Paycheck Protection Program fees specifically to COVID relief and social justice causes
- Increased our Employee Match program to \$2,000 per year per employee to support our employees' own charitable donations; employees can also earn up to an additional \$1,000 to donate based on personal volunteer time
- Granted \$1.7 million to 135 organizations for which our employees volunteered or have leadership positions via the SVB Foundation
- Established a \$5 million full-ride University Scholarship program in 2021 to support more than two dozen aspiring students at four US-based universities

## Providing Access to Affordable Housing

We finance affordable housing through our lending and investment activities.

- Developed an \$11.2 billion Community Benefits Plan in 2021 to provide financial support to small businesses and low- and moderate-income communities, families and individuals in California and Massachusetts, beginning in January 2022 through December 2026

## Financing Environmentally Sustainable Solutions

We support entrepreneurs and high-growth businesses that help advance real-world solutions to climate change and environmental sustainability while managing climate and environmental risks related to our core business.

- SVB Asset Management launched its first ESG solution that uses a screening process for corporate credits, leveraging metrics from leading third-party ESG scoring providers and increasing its ESG assets under management to more than \$4.1 billion as of October 2021
- Published our inaugural Climate Tech Report in 2021: “The Future of Climate Tech: A Look at the Technologies and Economics Enabling a Sustainable Future” which covers the investments and innovations under way to address the climate crisis

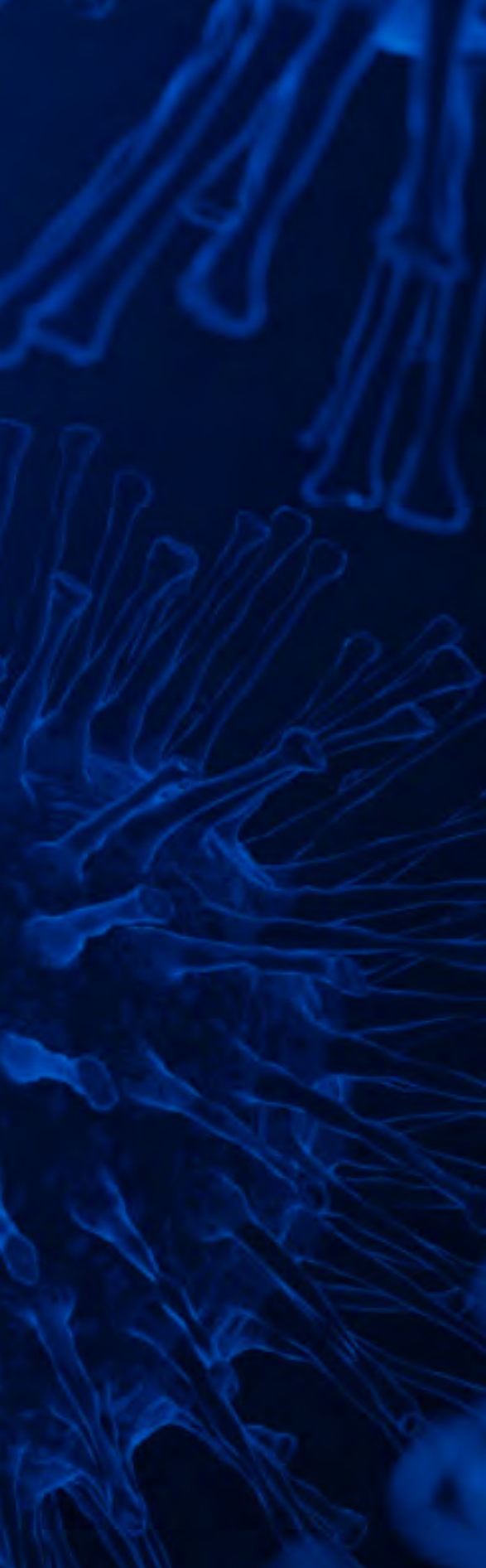
## Practicing Responsible Corporate Governance

We rigorously uphold responsible corporate governance principles and practices and believe that transparency, accountability and risk management are essential for public trust and our success.

- Added three new directors with strong expertise in technology, financial services and other areas
- Enhanced our focus on board diversity with a particular emphasis on racial and ethnic representation; the Governance Committee’s focus on overall diversity continues in 2021
- Added resources to enhance 2nd-line-of-defense risk oversight and expanded risk taxonomy, which now includes components of ESG as we continue to build out our risk function
- Published inaugural TCFD and World Economic Forum Stakeholder Capitalism disclosures

Our ESG journey will continue and evolve with the needs of our stakeholders and in alignment with our mission, values and business strategy. Key next steps include developing and announcing public, time-bound commitments regarding climate change and workforce diversity. We welcome feedback about our programs and look forward to working with all of our constituents as our ESG work matures.





# A Note About Managing Through the COVID-19 Pandemic

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**During the pandemic, we have taken a safety-first, regionally specific approach to protecting people while at the same time delivering for our clients. Many of our clients have developed incredible innovations to help people everywhere throughout this global health crisis, so it's important that we are available to support their efforts.**

**Phil Cox**  
Chief Operations Officer

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## COVID-19 Response & Community Support

At the start of the pandemic, SVB leadership implemented a three-pronged strategy to support our employees, our clients and the communities around us. Our efforts were values-based and designed to help people cope with the various challenges that presented clear risks to personal well-being and business success.

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## Employees

Supporting our employees' physical and mental well-being became a top priority. As such, SVB provided financial and practical work-from-home support and committed to retaining employee incentive compensation packages, giving employees the flexibility and the peace of mind they needed.

As a response to COVID-19, we have found new and effective ways of working that will help us successfully transfer to a hybrid model of work that embraces the best of both remote and in-person collaboration. We are examining ways to leverage our office space in a safe and sustainable manner, which includes return-to-office trials (open only to essential workers and limited volunteers). We are committed to helping our employees safely prepare to return to the office.

Our offices will remain an essential part of our working lives, but their role will change. They will be used primarily for experiences that can best be had in a communal setting — such as networking and hosting client meetings, collaborative team meetings and group training sessions.

## Clients

To offer relief to our borrowers, we implemented payment deferral programs and offered payment relief for approximately \$2.9 billion in loans. We also participated in government lending programs to assist our clients, including the Paycheck Protection Program (PPP) offered by the US Small Business Administration. We provided approximately \$2.3 billion in PPP relief in 2020 and 2021.

## Community

Early in the pandemic, we donated \$5.5 million specifically to global, regional and local relief efforts focused on healthcare, food, shelter and small businesses. Next, SVB committed to donating an additional \$20 million in net fees in 2021 and 2022 that were generated from the PPP. Those funds are being used to support additional COVID-19 relief, a new full-ride University Scholarship program, economic development and causes devoted to DEI efforts.

More information about SVB's COVID-19 relief efforts in support of our employees, clients and the community is available on our [Covid Relief](#) website.



# Engaging and Empowering Employees, with a Focus on Diversity, Equity and Inclusion







# A Community of Engaged and Inspired Employees

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**Our employees are our greatest differentiator and the driving force enabling us to help our clients increase their probability of success.**

**Chris Edmonds-Waters**  
Chief Human Resources Officer

At SVB, we engage with cutting-edge technology and healthcare companies that are changing the world. Our employees are passionate about making a difference and helping our innovative clients succeed. We strive to create a welcoming and productive culture and to give our employees the resources and training they need to do their best work every day. Our values guide our business decisions and partnership with our employees – empathy, integrity, diversity, responsibility and a quest for improvement. We strive to foster an equitable, vibrant and supportive workplace where each person can continue learning and growing and reach their career goals.

To keep employees connected, in touch with SVB’s values and in synch with our mission and business strategy, SVB has a robust internal communication program anchored by a weekly all-company Monday Meeting delivered in a live and recorded broadcast. Various business units meet regularly to share updates, and our CEO hosts a quarterly all-hands employee town hall to share successes, opportunities and challenges and to set the direction for the quarter ahead.

Our learning and development, leadership training, benefits and compensation programs – all are designed to support the whole employee; employees in turn will help deliver on behalf of one another and our clients.

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To gauge our success in these efforts, we survey all of our employees twice per year regarding their engagement, satisfaction and overall happiness with SVB. We share the findings with all employees and take action in areas where we can improve. Leveraging technology, we have adopted a solution that delivers specific guidance to our managers based on the feedback their employees shared in the survey, which opens the door to management development and aims to improve life at SVB.

Ongoing conversations are the foundation of our performance management program and are intended to provide the coaching and the feedback our employees need to perform at their best and develop in their careers.

SVB's Associate Development program gives entry-level associates advanced, hands-on training in such areas as credit risk assessment, loan portfolio management and client relationship skills. Twice per year, we select more than 20 recent college graduates and working professionals (with up to two years' experience) to participate in our 15- to 20-month program. Our Palo Alto and Boston locations are regional hubs for this premier entry-level development opportunity, allowing recruits to work closely with SVB professionals to help our clients bring their world-changing ideas to life. We look for associates from all majors and professional backgrounds, from liberal arts to life sciences to finance.

At SVB, we strive to create a workplace in which all employees can do their best work every day. We believe that when employees feel welcome and valued, they work at a higher level, productivity increases and our teams and clients go further.

We are an equal opportunity employer, dedicated to expanding our commitments and investments to foster a more diverse, equitable and inclusive company culture. We are strongly committed to the values and the policy of the US Equal Employment Opportunity Commission across our employment practices. Our commitment to attracting and retaining a diverse workforce makes SVB a more innovative and satisfying place to work.



# Investing in Our Employees' Professional and Personal Growth

Supporting our employees with competitive benefits and clear paths to professional development helps us attract and retain the best talent in the industry.

## Financial Well-Being

- Competitive 401(k) match, including an ESG fund option
- Retirement investment advisory services
- Employee stock ownership plan
- Employee stock purchase plan
- Employee homeownership plan
- Commuter benefits
- Corporate discounts and perks
- Financial literacy education
- One-on-one financial advice and counseling
- Quarterly stipend to defray home office expenses during the pandemic

## Health and Wellness

- Medical, dental, vision and disability insurance
- Wellness program with physical and mental health education and rewards
- Health and patient advocacy assistance
- Transgender surgery services
- Counseling and mental health services
- Virtual medical services
- Drop-in medical services
- Ergonomic assessment and training

## Life and Family

- Parental bonding leave
- Adoption assistance
- Special needs assistance
- Leave-of-absence planning support
- Backup childcare and senior care assistance
- College coach program
- Pet care referral services
- Fertility services
- Surrogacy support

## Professional Development

- Workshops and live webinars
- Membership in professional development organizations
- Access to online career development courses and business research
- Education reimbursement program
- Leadership and Associate Development programs
- Ongoing coaching as part of the performance review process

## SVB Client Story



**Carrot Fertility:** Carrot Fertility is dedicated to providing accessible and affordable fertility care for all. Regardless of age, race, sex, sexual orientation or gender identity, Carrot offers the most comprehensive global fertility benefits for family-forming care. Their platform provides employers with customizable fertility plans along with treatments such as egg freezing, IVF, surrogacy and adoption. Carrot's scalable cost solution is enabling hundreds of thousands of people around the world to pursue their unique family journeys. SVB recently partnered on a debt facility with Carrot Fertility and has been banking them since 2016.



# Focus on Diversity, Equity & Inclusion

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**Diversity is critical to business success, and as such we're designing programs to break down barriers from an end-to-end perspective from recruiting through leadership development.**

**Angela Morris Lovelace**

Chief Diversity, Equity and Inclusion Officer

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We believe that SVB and the innovation economy benefit from people with diverse backgrounds, experiences, opinions and ideas, and inclusiveness is a key to our success. At SVB, we embrace diverse perspectives and are working to foster a more inclusive workplace environment that offers opportunities for all.

Our multipronged approach includes employee awareness programs, regular training, educational opportunities, fair-pay analysis, leadership development, hiring outreach programs and strategic partnerships. We are continuing to expand transparency and accountability by publishing more detailed workplace diversity metrics and increasing recruitment, career development and advancement programs aimed at underrepresented groups, particularly women, Black and Latinx professionals.

## Leading from the Top

In December 2020, we appointed SVB's first Chief Diversity, Equity & Inclusion Officer (CDEIO). With more than 20 years of experience in human resources and a track record of turning her passion for underserved communities into concrete action, our CDEIO aims to ensure that SVB's various DEI initiatives achieve their full potential. Our Executive Committee is updated twice per month on DEI-related initiatives inside SVB and within the innovation economy by the CDEIO and the Chief Marketing and Strategy Officer.

## Pipeline to Progress: DEI Recruiting Strategies

Our dedicated full-time Diversity Recruiting Director focuses on increasing diverse representation in senior-level and experienced professional roles, whereas our University Relations team invests in relationships with Historically Black Colleges and Universities and university diversity organizations to recruit talent for our Associate Development program.

To mitigate potential unconscious bias and racism in the hiring process, we use Textio, an augmented job description writing platform, for inclusive values-based behavioral interview questions and training for recruiters, hiring managers and all employees. In 2021, we launched our University Scholarship program to provide full-ride, four-year university scholarships, and we include a summer internship at SVB and the opportunity to apply for full-time employment upon graduation.



## Engaging Employees in DEI

We launched our Inclusion & Diversity Employee Advocates Network in 2017 to encourage ongoing dialogue, engage active support and visibility for DEI programs, and enable employees to connect, build relationships and inform DEI initiatives. One of those initiatives is a series of quarterly all-hands DEI town halls led by our CEO, giving employees an opportunity to share and discuss their work on DEI in an open forum with executives and colleagues.

Our Diversity, Equity & Inclusion at SVB Teams webpage allows employees to engage in ongoing virtual DEI conversations. In 2021 we formally launched several Employee Resource Groups (ERGs), which embrace and celebrate specific diverse groups in our workforce: Afro Diaspora, Asian, Hispanic-Latinx, LGBTQ+/Pride, Military Veteran and Women. These employee-led groups engage, uplift and inspire our employees to foster shared understanding and operate with an inclusive and supportive mindset.

## Ensuring That Every Voice Is Heard: Cultural Awareness Celebrations & Speaker Events

We formally recognize cultural awareness celebrations throughout the year, driven by employee interest. Events featuring external guests and employee panels increase understanding of colleagues' lived experiences and offer opportunities to learn how we can all support one another through individual development, allyship, mentorship, sponsorship and workplace dynamics.

## DEI Education & Awareness

We provide DEI learning tracks and programming, integrating content into our overall learning experiences at SVB. Courses range from raising awareness of unconscious bias to mitigating micro-behaviors to promote inclusivity. In 2019, we piloted programs focused on allyship, and in 2020 we hosted a series of Conversation Circles enterprise-wide to address systemic racism and social oppression.

## Employee Surveys & Focus Groups

We administered our first firmwide diversity and inclusion survey in 2014 and regularly include questions related to belonging and inclusive culture in our biannual employee engagement surveys. We also conduct focus groups to solicit employee feedback. These efforts inform SVB's DEI strategy, ensuring that our initiatives reflect our employees' priorities.

## Pay Equality

Since 2018, SVB has engaged an external expert to complete an annual fair-pay analysis to ensure that all employees are paid fairly and that there are no discrepancies across gender and race. In the handful of instances as part of the review process where we could not explain minor differences in compensation, we adjusted salaries.

We publicly disclose our SVB UK Gender Pay Report on our DEI webpage. It is important to realize that these figures capture the whole workforce and do not compare men and women performing the same roles. For more information, please see the UK report [here](#).

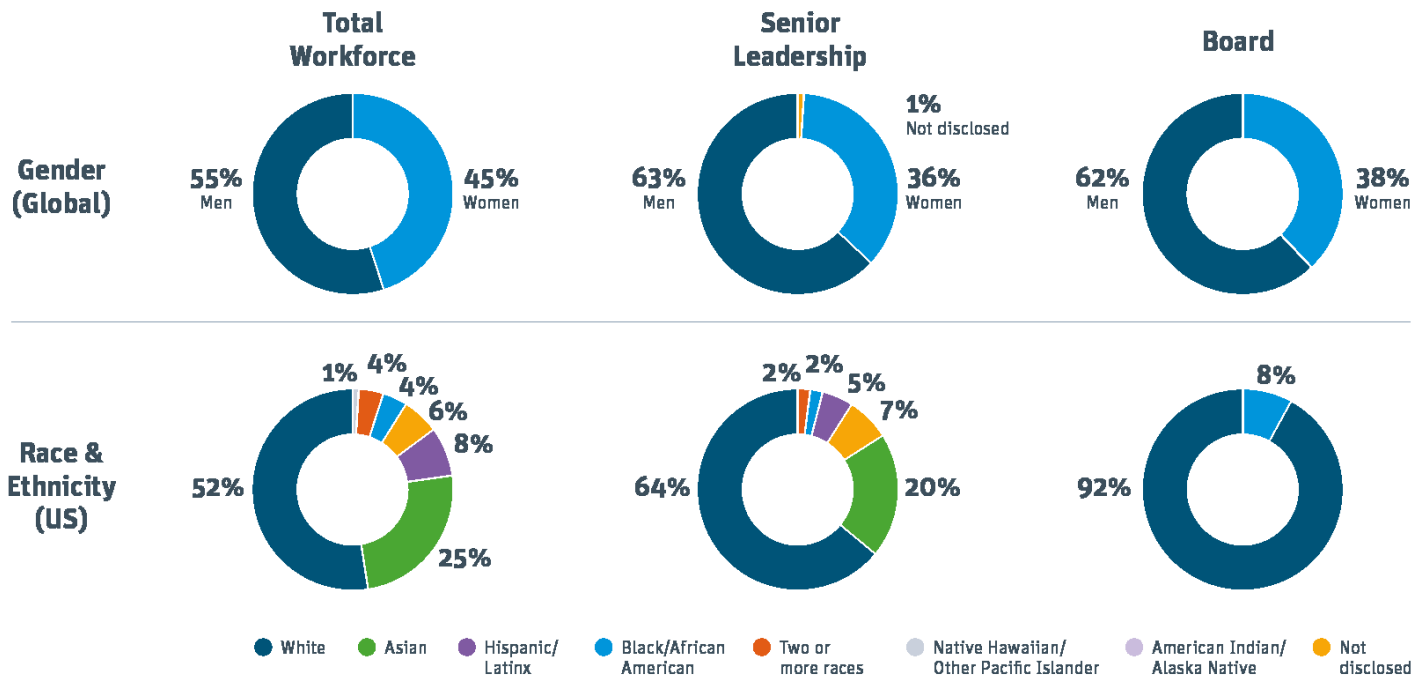
## Supplier Diversity

The value provided by our vendors has a direct impact on our business, which is why we consider the quality, experience, capability, local community commitment, price and relationship of each vendor. As part of creating a more diverse, equitable and inclusive environment, we work closely with our vendors to expand our use of underrepresented suppliers, including people of color, women, veterans, people with disabilities and the LGBTQ+ community.

By 2026, we will expand our corporate supplier annual spend with businesses owned or led by members of historically underserved communities, to at least 8%.

## Holding Ourselves Accountable: DEI Metrics

We are currently in the process of revising how we set and measure progress against our workforce diversity goals, and we will report new goals when they are available in 2022. The following statistics showing our detailed workforce diversity data are as of June 30, 2021.



We report demographic metrics using racial categories defined by the US Equal Employment Opportunity Commission. Race & ethnicity figures represent US employees only, as regulatory requirements governing data collection and privacy preclude comprehensive data collection in our international offices. We are exploring how we can effectively track and share data on our global workforce. Senior leadership includes anyone in the following job levels: Executive Committee (includes our executive officers), and leaders from certain top levels of SVB's two highest bands of management. American Indian/Alaska Native does not appear on the graphs since they comprise less than 1%. Not disclosed represents individuals who did not choose to disclose gender, race & ethnicity data. Workforce and Senior Leadership data is as of 6/30/2021. Board data is as of 12/1/2021. See our [2020 EEO-1](#) report (US only).



# Engaging Employees on Environmental Sustainability

## Sustainable Locations

SVB aims to enable its employees to reduce the carbon footprint of their work and their commute. SVB supports employees in finding more environmentally friendly modes of transportation to the office. In 2020, prior to COVID-19, we prioritized related initiatives.

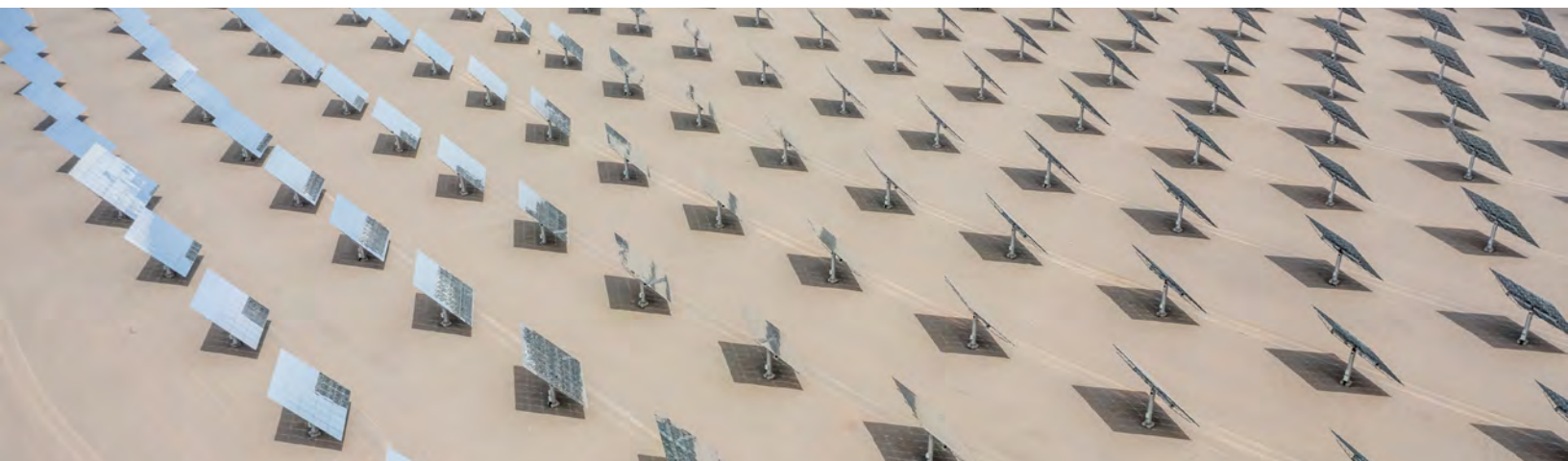
- SVB increased our electric vehicle charger availability in California and Arizona, with more than 30 chargers in three office parking lots available to more than 325 employees.
- 265 SVBers participated in the SCOOP carpool program partnership in the San Francisco Bay Area; in partnership with our landlord in Tempe we rolled out a similar arrangement in Arizona.

As we continue to define the future of work through our Connected Workplace, we will continue to support our employees in finding safe and sustainable commuting solutions.

## Green Team at SVB

In 2020, SVB's Green Team launched, comprising employees who are passionate about sustainability and the environment. The volunteer team's mission is to inform, raise awareness and champion SVB's green practices and initiatives. With more than 300 members globally, our Green Team continues to champion and support sustainable initiatives.

- In partnership with SVB in the Community, the Green Team organized Earth Day 2020 volunteer opportunities to support environmentally and sustainability-focused organizations. SVB in the Community offered a two-to-one match for donations to the earth-friendly causes that US- and UK-based SVBers supported and championed.
- The Green Team partnered with the SVB wine group to offer a sustainable wine special for SVB friends and family. We worked with one of our clients, a sustainable winery, to offer an Earth Day discount along with a virtual wine tasting with the owner and winemaker.
- To raise awareness of plastic recycling, the Green Team in India inspired employees to reduce their environmental impact through the No Plastic Challenge. The team collected roughly 200 pounds of plastic and returned it for safe recycling. The team also conducted a Composting Week education campaign to encourage the recycling and reuse of compostable materials.



## SVB Client Story



**DocuSign:** Founded in 2003, DocuSign’s mission has been to accelerate business and simplify life for companies and people around the world. They have revolutionized how people come to an agreement, first with eSignature, and now via the DocuSign Agreement Cloud. From the very beginning, environmental sustainability has been an important part of the DocuSign story. DocuSign eSignature alone has replaced billions of pieces of paper, along with significant amounts of the waste, water, carbon, and wood required to make that paper. SVB has been working with DocuSign for over 18 years and has saved about \$24 dollars for every document that’s been electronically signed.

## SVB Client Story



**TripActions:** TripActions is dedicated to providing their customers with a platform that educates, informs, and reduces the impact of carbon emission produced travel. Globally, the transportation industry is responsible for roughly 28% of all greenhouse gases, according to the EPA. TripActions supports SVB by providing real-time data required to make emissions decisions, educate our employees on their carbon impact, and build tools designed to help us meet our business travel sustainability goals. Specifically, SVB has our own personalized dashboard which provides insight into our air, train, car and hotel CO2 emissions. We can then drill down farther into the data to see, for example, what the cost would be to offset our CO2 emissions using TripActions’ tons measurement.

# **Innovation Through Social and Economic Inclusion**





# Expanding Opportunity

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**As the bank of the innovation economy, we are the go-to financial partner for founders and investors. Given our central role, SVB knew we had a role and a responsibility to drive diversity across the innovation ecosystem. With that commitment in mind, we established Access to Innovation.**

**Courtney Karnes**

Director of Access to Innovation

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SVB is at the center of the innovation ecosystem, helping businesses and their investors move bold ideas forward. Our core belief is that businesses that understand how to harness diverse points of view and experiences will create new opportunities for themselves, their employees and societies.

## **Our Access to Innovation Program Increases Opportunities for Women, Black and Latinx People in the Innovation Economy**

The innovation economy — the mix of technology, life sciences and capital — drives economic growth, offers exciting careers and produces breakthroughs that include improving the human condition and protecting the planet. There is one glaring problem, however: Not enough people get to participate in it. In particular, women and Black and Latinx individuals remain underrepresented, especially in leadership roles as executives, board members, investors and startup founders.

SVB is motivated to use our unique position to help open the innovation economy to the fresh ideas and perspectives of new contributors, expanding opportunity and giving more people a path to share in the growth potential of this economic engine. In the process, we're building a more inclusive innovation economy, one that produces even greater benefits for more people.

Access to Innovation, SVB's signature program, aims to achieve these goals by harnessing SVB's resources, experience and network. We develop strategic partnerships — such as with Venture Forward, an arm of the National Venture Capital Association focused on diverse representation — and leverage our expertise to develop tools and programming to increase the pipeline of diverse talent entering the innovation ecosystem and to address several key barriers, including access to information, capital and networks.

Through this program over the next five years, SVB will invest more than \$50 million to make an impact on more than 25,000 lives. Several of our specific Access to Innovation projects are described below. More information is available on our [webpage](#), where you may also subscribe to our newsletter to find ways to get engaged in our efforts.

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## Making the Connections that Transform Lives and Businesses

### Networking and Career Development for Black Professionals

SVB continues to help bolster Black representation in the innovation economy through our partnerships with an array of like-minded organizations. For example, in March 2021, we launched a program to offer 2,000 of our client businesses access to Valence, a networking and career development platform for Black talent. SVB and our clients network and post open jobs via the platform. We also support events such as the AfroTech Conference each year, where Black tech entrepreneurs can network with investors and one another.

### Education, Networking and Career Development for Latinx Professionals

SVB has developed programs and partnerships to increase representation and funding opportunities for Latinx individuals in the innovation economy. As a founding partner of LatinxVC and a longtime scholarship donor to the Hispanic Foundation of Silicon Valley, we aim to increase opportunities for career development, entrepreneurship and leadership in the Latinx community. Since 2016, SVB has given \$330,000 to support the organization's Latinos in Technology Scholarship, which is designed for Latinx students majoring in science, technology, engineering or mathematics.

### Levelling Up the Next Generation of Women in Leadership

As a founding partner of All Raise, SVB has pledged to help that organization reach its goals of increasing the amount of seed capital through early-stage funding going to female founders from 11% to 23% by 2030 and doubling the number of female decision-makers at large VC firms by 2028.

We are also a founding partner, a global sponsor and an investor in theBoardlist, part of the #ChoosePossibility Project, which provides companies and investors with access to qualified women who are interested in joining corporate boards.

### Providing Connections to Critical Resources

SVB's partnerships and investments also aim to help minority-owned businesses with access to the resources they need to grow. SVB is a lead investor in Bolster, a marketplace for on-demand executive talent focused on creating opportunities for people from all backgrounds. We also led the Series A funding for Hello Alice, which uses artificial intelligence technology to connect "New Majority" small business owners to educational resources and training. Hello Alice also offered pandemic-related grants to help entrepreneurs and small businesses stay afloat.

### Holding One Another Accountable

In August 2020, SVB signed on with Act One Ventures and other leading VC firms to add a diversity rider in standard term sheets, which is designed to bring in Black and other underrepresented groups, including but not limited to women, Latinx and LGBTQ+ people, as co-investors on deals. The goal is to make such a rider an industry standard.

In October 2019, SVB signed on to the first-of-its-kind #MeToo morality clause as part of our investment in Hello Alice. The clause gives stockholders the governance mechanism to remove board members in the event of a #MeToo or racial and/or sexual discrimination incident.

### Opening Doors for Emerging Talent

SVB partner Year Up encourages young adults ages 18 to 24 to reach their potential through an intensive one-year program that includes hands-on skills development, coursework eligible for college credit, a corporate internship and support for transitioning to a job in

technology. Since 2017, SVB has hosted 83 young professionals in multiple locations for six-month internships; we seek to help them identify long-term career opportunities with SVB or our client or partner companies once their internships conclude.

## Businesses United in Investing, Lending and Development

Businesses United in Investing, Lending and Development (BUILD) has incubated more than 750 youth businesses and partnered with more than 30 schools across the United States. SVB has given BUILD more than \$731,000, and our employees volunteer as BUILD board members, mentors and panel judges in the San Francisco Bay Area, Boston, New York and Washington, DC.

## Strengthening LGBTQ+ Representation in Business

StartOut connects and educates LGBTQ+ entrepreneurs to empower great leaders and businesses. SVB employees participate as mentors to StartOut members. In addition to being a financial sponsor of StartOut, SVB hosts the organization’s Demo Day, an event that brings together innovative LGBTQ+ startups in San Francisco, New York and Los Angeles.

## Pathways out of Poverty for Women

Grameen America provides microloans and training to women in poverty who seek to build small businesses. SVB has committed \$2 million in loan capital to help launch women-led businesses. Since 2012, Grameen America’s San Francisco Bay Area offices have made loans to 11,952 women totalling \$191 million.

## Leadership Oversight and Employee Engagement

The Access to Innovation Leadership Council, comprising both executive and nonexecutive members, convenes monthly to encourage and oversee the development of the program and to ensure that adequate resources and attention are directed to specific initiatives.

The Access to Innovation Program Office is responsible for setting, executing and reporting on the enterprise-wide program strategy in collaboration with SVB’s DEI team, which is part of Human Resources, and with SVB’s Client Success team, which represents client-facing business units. The Access to Innovation Program Office coordinates teams and projects across the company to maximize our impact.

### SVB Client Story



**Valence:** Valence is a VC-backed tech platform & community dedicated to creating new paths to success for Black Professionals. Valence launched in 2019 and their membership base includes 18,000+ elite Black professionals, innovators, entrepreneurs and creatives who are leading the biggest brands & growing some of the most dynamic startups in the world. Valence teamed up with SVB to unite the innovation economy in pursuit of an equitable and prosperous future for Black professionals. Through a two-year partnership, SVB will provide 2,000 of its clients with access to the Valence platform, where they will be able to recruit, retain and promote Black talent through job postings, mentorship, networking, employee resource groups and professional development opportunities. The partnership also includes sponsorship of Valence BONDS, an exclusive leadership development program and the BoostXL virtual event series.



# SVB in the Community



  
Teresia Nyuguna  
[Small text below name]

# Partnering for Progress

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**SVB strives to leverage innovation for good by combining our values-based approach with our business strategy.**

**Craig Robinson**

Head of Corporate Social Responsibility

SVB strives to be a dedicated partner in the communities in which we live and work. We consider it our opportunity and our responsibility to give back and promote the greater good. Our multipronged approach engages our employees, our client network and our partners to increase our positive impact on those who need assistance.

We proudly support our employees who actively engage with their communities by donating their time, expertise or funds. With empathy for others, our employees participate in our SVB in the Community programs, which enable and fund various activities and organizations, some of which are highlighted in this section. Our generous employees help us work toward our annual goal of donating 1% of full-time employee time and net income.

We also maintain our strong, longstanding commitment to the Community Reinvestment Act, focused on the San Francisco Bay Area through 2020. The growth of the innovation economy has contributed to rising housing costs and shortages, especially in our Bay Area headquarters location. We provide financing for affordable housing construction and rehabilitation to help address the severe housing shortage, including loan capital for local community development financial institutions. This coverage area will expand in 2022, based on our 2021 acquisition of Boston Private.





## Community Benefits Plan and Our \$11.2 Billion Commitment

In May, 2021 we announced a new Community Benefits Plan to build on SVB's longstanding commitment to help small businesses, finance affordable housing, reinvest in low- and moderate-income communities and support the greater good through philanthropy and volunteerism.

# \$11.2 billion

Community  
Benefits Plan

2022-2026

A five-year plan to expand commitments to small businesses, increasing access to the innovation economy and investing in underserved communities.



**\$5.0**  
billion

in small business  
loans of \$1 million  
or less



**\$4.8**  
billion

in Community  
Reinvestment  
Act community  
development loans  
and investments



**\$75**  
million

in charitable  
contributions



**\$1.3**  
billion

in residential  
mortgages to LMI  
borrowers and in  
LMI census tracts



## Finding Solutions to the Housing Shortage

Finding affordable housing is increasingly difficult for many residents in major urban centers. Since 2002, SVB's Community Development Finance team has committed more than \$850 million in investments and more than \$1.4 billion in loans to help build or rehabilitate 9,472 affordable housing units in the San Francisco Bay Area. These homes are designed for low- and moderate-income seniors, veterans, working families, people with disabilities and those who are chronically homeless.

SVB has also committed more than \$2 million to Housing Trust Silicon Valley, which finances affordable housing in Silicon Valley. Housing Trust has invested \$446 million and facilitated more than 44,400 affordable housing opportunities since 2001.



**Our place and success in the innovation economy has fueled our expanding and increasing community development programs that help the most vulnerable populations in our communities access safe and affordable housing.**

**Fiona Hsu**

Head of Community Development Finance

## SVB Community Development Finance in Action

SVB has invested in many transformative affordable housing projects, including the following examples.

### Berkeley Way and Hope Center

This project in Berkeley, California, will provide 89 units designated for low-income working families, 53 units of permanently supportive housing for people with disabilities or who are experiencing homelessness or are at risk and 44 shelter beds for men who are experiencing homelessness, including 12 transitional beds for veterans. SVB is providing a \$7.1 million investment to finance the new construction, which is the largest affordable housing project in Berkeley.

As a joint development between the Berkeley Food & Housing Project and BRIDGE Housing, this project will establish a continuum of affordable housing that is integrated into the fabric of a vibrant downtown community. It will be a place where those facing housing insecurity can begin the journey out of homelessness into a welcoming community of warmth, respect and dignity.

## Maceo May Apartments, Treasure Island, San Francisco

Maceo May Apartments is the first new affordable housing project built during the redevelopment of Treasure Island in the San Francisco Bay. The project will provide 105 affordable units for veterans who are experiencing homelessness or have been formerly homeless. It is a collaboration between the Chinatown Community Development Center and Swords to Plowshares, a veterans' rights organization. SVB provided a \$43.7 million construction loan and a \$15.6 million investment to finance the new construction.

The project is a modular, all-electric development designed for resiliency to protect from sea level rise and to continue operations and remain safe and comfortable during periods of extreme heat, power outages, wildfire smoke and seismic events.



## Giving Back

Giving back is a key part of who we are. SVB has well-established giving practices and is actively expanding the scope and the focus of our initiatives. In recent years, we have invited our clients and contacts to participate with us in fundraising and volunteer opportunities to increase our overall impact by leveraging our global network of innovators and investors.

### 2020 Facts

**\$12.5M**

donated in 2020

**\$1.1M**

donated via our employee match program

**16.5K**

hours volunteered (virtually during the COVID-19 pandemic)

**\$1.75M**

in SVB Foundation grants to 135 organizations

**\$20M**

from PPP to be donated in 2021 and 2022

## Tech Gives Back

Each October SVB, in partnership with Boston-based nonprofit Technology Underwriting Greater Good, hosts employees, clients and partners from around the world for Tech Gives Back, an annual week of community service. In 2020, a year of unprecedented change, the 10th annual Tech Gives Back event introduced virtual volunteering.

This equitable and inclusive approach to service allowed us to reach some incredible milestones:

- More than 1,000 virtual volunteers across the United States, China, Germany, the United Kingdom and Canada
- More than 2,900 hours of service logged for 31 global nonprofits
- More than \$157,000 donated
- The introduction of a new virtual fitness campaign, TGB Fit & Fundraise

Tech Gives Back is a corporate-wide event that exemplifies the best of SVB's values. We look forward to continuing our work to meet our communities where and how they need us most.





## Pledging Volunteer Time and Financial Support

In 2018, SVB joined the Pledge 1% movement, an organization comprising hundreds of companies that emphasizes giving back to nonprofits and the community. Through our commitment, we aspire to give 1% of our time and net income to charitable causes.

Key among the many charitable activities we support, our programs include an annual employee match, through which we match employee financial donations up to \$2,000, as well as reward volunteer time up to \$1,000 per employee. Additionally, the SVB Foundation, our nonprofit charitable arm, makes grants to community causes and organizations to which our employees volunteer, as well as larger grants to organizations in which an SVB employee takes on a leadership role.

In 2020, our employees rallied behind causes important to them and the communities they serve. Through one of several two-to-one giving opportunities, SVBers donated \$401,188, which supplemented SVB's corporate donations to the National Association for the Advancement of Colored People, American Civil Liberties Union, National Urban League and Lawyers' Committee for Civil Rights Under Law. This was SVB single largest employee-driven fundraising campaign in our history.

In early 2020, SVB leveraged technology solutions to launch the Missions program, which engages employees around the causes they care about most, by providing education and gamified activities to deepen their participation in the cause. For example, one of the Missions helps employees learn new ways to become more "green" in their own lives, offering tips and suggestions to reduce their own environmental footprint, volunteer their time and make related donations.





## Accion Opportunity Fund Drives Economic Mobility

In 1993, SVB and the Silicon Valley Community Foundation partnered to establish the Accion Opportunity Fund, which promotes economic opportunity and stronger communities by providing microloans, education and support to underserved small business owners. Since the Accion Opportunity Fund's launch, SVB has contributed more than \$6.25 million, helping extend 17,000 loans and invest \$905 million in small businesses.

## Helping Everyone Achieve Their Goals

Best Buddies International is dedicated to ending the social, physical and economic isolation of the 200 million people in the world with intellectual and developmental disabilities. SVB partners with our clients to raise funds for the organization, and we have employed eight participants in the Best Buddies jobs program over the past 13 years. We currently employ five participants in Boston, Palo Alto, Phoenix, San Francisco and Santa Clara.

Since 2004, SVB has raised \$7.1 million for Best Buddies International through events, including Best Buddies Challenge cycling events at Hearst Castle, California; Hyannis Port, Massachusetts; and Washington, DC, as well as Best Buddies Friendship Walks in the San Francisco Bay Area, Arizona and Washington, DC.

## Expanding Opportunities for Students and Teachers

### University Scholarship Program

In 2021, SVB established our University Scholarship program to fund approximately 25 full-ride scholarships and SVB internships for students in need at four US universities: Arizona State University, Florida A&M University, Tulane University and Xavier University of Louisiana. The scholarship program is part of our University Relations initiative to expand the pool of talent for our growing business. The university partners were selected based on their direct and measurable impact on students, the majors and programs that align with SVB's future employment needs and their geographic distribution.

Since 2014, United and Counting has reached 10,942 students in 113 schools in the San Francisco Bay Area, providing more than 33,000 hours of online education.

### Cristo Rey Network Internships

The Cristo Rey Network offers a work-study program for high school students to gain real-world experience while offsetting tuition costs. The program network includes high schools in underserved communities that incorporate college preparatory classes with work opportunities, providing students with job experience alongside professionals. In the San Francisco Bay Area, SVB hosted six interns each year for academic years 2019 – 2020, 2020 – 2021 and 2021 – 2022.

### Promoting Financial Literacy

We designed our financial literacy program, United and Counting, to teach primarily low- and moderate-income students key financial literacy skills, including credit card use, financing higher education, saving money and other relevant financial topics. We offer the courses online to reach more students and increase the program's impact.

### Ignited Education

Each summer, SVB hosts an Ignited Teacher Fellow through Ignited Education, an organization dedicated to supporting and bringing together companies, underserved schools, teachers and students. The Ignited Teacher Fellow partners have worked in various SVB departments, most recently with our Talent Development team's Change Management Center of Excellence to learn new change management approaches that can be applied in an educational setting.

## UNITED AND COUNTING: BY THE NUMBERS



# 113

schools in the San Francisco Bay Area




# 10,942

students



# 33,419

hours of financial literacy education



# **Climate Risks and Opportunities: SVB's Task Force on Climate-Related Disclosures Report**



# Actively Addressing Climate

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**We see significant opportunity to support the transition to a low-carbon economy based on the ambitious goals pursued by our innovative clients and their investors. Our biggest opportunity to contribute to a more sustainable world lies in our continued ability to help these clients succeed.**

**Mike Descheneaux**

President of Silicon Valley Bank

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SVB recognizes the significant societal, ecological and economic threats of climate change. Given the work we do to support the innovation economy, we see our clients tackling the climate crisis in numerous ways through their innovations and investments. We enable entrepreneurs with inventions and new businesses that reduce greenhouse gas (GHG) emissions, and we take seriously the responsibility to reduce our own. SVB finances businesses that are developing sustainable technologies to increase the efficient management and consumption of energy, food, clean water and other resources.

To capture and accelerate this opportunity, we are deepening integration of climate risks and opportunities into our governance structures, business strategy, risk management and public reporting. To align with our objectives and industry best practices, we commit to disclosing and continuing to evolve our climate strategy in line with the recommendations of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD), and we are pleased to publish our first TCFD Report. Our report covers data from 2020, although some 2021 activity is also addressed.



Table 1 summarizes our progress to date, with additional detail in the following sections.

**Table 1. Summary of SVB Climate Strategy by TCFD Recommendations**

Progress to Date	
Governance	<ul style="list-style-type: none"> <li>– Board Governance Committee updated the Committee Charter to include responsibility for overseeing ESG strategy, including climate, with Committee to receive updates at least annually</li> <li>– Executive Committee, chaired by CEO Greg Becker, is responsible for the oversight of our ESG program and providing insight on ESG risks and opportunities related to SVB's business</li> <li>– Chief Marketing and Strategy Officer designated as ESG Executive Sponsor, including responsibility for climate strategy</li> <li>– Business unit leaders of the Climate Tech and Sustainability team and the Project Finance team, who ultimately report to the SVB President through the Head of Life Sciences and Technology Banking, are responsible for growing our climate finance business</li> <li>– Established ESG Program Office, reporting to the Head of Corporate Social Responsibility (CSR), to coordinate ESG working groups, strategy and implementation enterprise-wide, including hiring a Director of Climate Risk and Strategy in the ESG Program Office to facilitate our enterprise-wide climate strategy</li> <li>– Established a cross-functional, senior management level ESG Advisory Committee to guide enterprise-wide ESG, including climate strategy</li> <li>– Established cross-functional working groups to develop and implement climate strategy, including Climate Risk Working Group, Communications and Disclosure Working Group, Investments Working Group, Operational Climate Working Group and Risk Working Group</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>– Actively pursuing climate-driven opportunities through our Climate Tech and Sustainability Banking and Project Finance business lines, which focus on disruptive technologies that support the transition to a low-carbon economy, including renewable energy project finance</li> <li>– Qualitative assessment of climate risks that may impact SVB's strategy, business and clients</li> <li>– To assess strategic resilience to climate change, began pilot scenario assessment of the risk of wildfire to our California-based mortgage and wine portfolios</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>– Enterprise risk management (ERM) framework serves as our approach to identify, assess and manage risks on which climate change will likely have an impact</li> <li>– Through our ERM framework, business risk teams affected by acute physical risks, such as wildfire, have been able to respond during crises to rapidly identify and manage assets at risk</li> <li>– UK branch conducted preliminary, qualitative assessment of transitional and physical risks of climate change</li> <li>– Monitoring emerging regulatory and industry developments globally</li> <li>– Operational risks are addressed through business continuity plans</li> </ul>
Metrics & Targets	<ul style="list-style-type: none"> <li>– In 2020, SVB's Project Finance team completed 20 renewable-energy deals that supported 3,775 megawatts of solar generation and 1,213 megawatts of renewable-energy equipment; when aggregated, this will avoid over 4 million tons of CO2 annually</li> <li>– Conducted first GHG inventory in 2019, expanded in 2020 to include employee commute as well as fuel- and energy-related activities</li> <li>– We are evaluating targets related to sustainable finance and reducing our operational emissions</li> </ul>

The remainder of this report is structured to align with TCFD recommendations, which are included below for reference.

## TCFD Recommendations and Supporting Recommended Disclosures

Governance	Strategy	Risk Management	Metrics and Targets
<p>Disclose the organization's governance around climate-related risks and opportunities.</p>	<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.</p>	<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>
<p><b>Recommended Disclosures</b></p>	<p><b>Recommended Disclosures</b></p>	<p><b>Recommended Disclosures</b></p>	<p><b>Recommended Disclosures</b></p>
<p>a) Describe the board's oversight of climate-related risks and opportunities.</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p>	<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>
<p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p>b) Describe the organization's processes for managing climate-related risks.</p>	<p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>
	<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>

Source: <https://assets.bbhub.io/company/sites/60/2020/10/FINAL-2017-TCFD-Report-11052018.pdf>



# Climate Governance

SVB is committed to sound oversight consistent with the best interests of our stakeholders, ethical business principles and the letter and the spirit of the law. Our climate strategy is integrated into our governance and management structures, including the Governance Committee of the Board of Directors, SVB's CEO-chaired Executive Committee and cross-functional working groups, with central coordination and facilitation by our ESG Program Office.

## Board Oversight

Our Board of Directors has adopted clear corporate governance policies and is committed to providing effective oversight of our corporate governance process. The Governance Committee is responsible for, among other things, oversight of SVB's corporate governance practices. In 2020, the Governance Committee approved adding language to the Committee Charter specifying that its responsibilities include oversight of ESG practices include oversight of ESG practices, a key element of which is SVB's climate strategy.

Qualifications and Committee member bios can be found in SVB's 2021 Proxy Statement starting on page 4. With respect to the membership of SVB's Board of Directors, the primary areas of experience, qualifications and attributes we typically seek include but are not limited to the following areas related to ESG:

- Experience in **public company governance**, including corporate governance best practices and policies and managing relations with key stakeholders
- Knowledge of or experience with **key risk oversight and risk management** functions to help oversee the dynamic risks we face

## Management

SVB's management structure guides our climate strategy.

**Chief Executive Officer (CEO).** As a member of the Board of Directors and SVB's Executive Committee, SVB Financial Group's President and CEO is regularly briefed on climate-related issues and opportunities and approves the direction of SVB's ESG programs, including the climate strategy. In 2020, the CEO approved the formal creation of the ESG Program Office, which is responsible for developing and coordinating SVB's enterprise-wide climate strategy, a core part of SVB's enterprise ESG strategy.



**Chief Marketing and Strategy Officer (CMSO).** The CMSO is the executive sponsor of SVB's ESG strategy, responsible for championing and guiding the climate strategy. The CMSO provides executive-level oversight, sponsorship and accountability for the ESG program, including climate-related issues, across the enterprise. The CMSO reviews and approves, along with additional Executive Committee members also reporting directly to the CEO, decisions regarding SVB's climate strategy, climate-related disclosures and governance of the overall ESG program. In addition, the CMSO advocates for climate-related issues and opportunities to be integrated into the overall business strategy.

**Head of Corporate Social Responsibility (CSR) and the ESG Program Office.** The Head of CSR, who reports to the CMSO through SVB's Head of Corporate Communication & Reputation, manages SVB's ESG Program Office, which is responsible for SVB's enterprise-wide ESG strategy, including climate.

- The **ESG Program Office** coordinates the ESG Advisory Committee and a number of ESG working groups, three of which focus on climate issues. The ESG strategy is led by SVB's ESG Director.
- In 2021, SVB hired its first **Director of Climate Risk & Strategy** in the ESG Program Office. This role, which reports to the Head of CSR, is responsible for working across the enterprise to advance SVB's climate risk management approach, as well as to support SVB's overall climate strategy.

**Business unit leaders of the Climate Tech and Sustainability team and the Project Finance team.** Reporting to the Head of Life Sciences and Technology banking, the leaders of the Climate Tech and Sustainability team and the Project Finance team are responsible for executing the growth of SVB's climate solutions banking business. These teams have hundreds of clients that are transforming the energy, transportation, agriculture and other sectors with technologies and business models that enable the transition to a low-carbon economy.

**ESG Advisory Committee.** Comprising senior management across SVB, the ESG Advisory Committee recommends climate initiatives for Executive Committee approval. Please see Table 1 for details on Committee membership. In addition, the committee provides input on climate initiatives and provides guidance and support to the ESG working groups. Coordinated by the ESG Program Office, the ESG Advisory Committee meets quarterly to review climate-related risks and opportunities.

The ESG Advisory Committee comprises the following cross-functional SVB roles:

– Chief Accounting Officer	– Chief Risk Officer, Europe, Middle East and Africa (EMEA)	– Head of Corporate Communications & Reputation	– Head of Life Sciences and Technology Banking
– Chief Credit Officer	– Deputy General Counsel	– Head of Corporate Social Responsibility	– Head of Loan Administration
– Chief Diversity, Equity, & Inclusion Officer	– Deputy Head of Enterprise Risk Management	– Head of Global Privacy	– Head of Sourcing & Procurement
– Chief Financial Officer, Europe, Middle East and Africa (EMEA)	– Director, Climate Risk & Strategy	– Head of Investor Relations	– Human Resources Director
– Chief Information Officer	– Director, ESG Program Lead		– SVB Capital Chief Operating Officer
– Chief Information Security Officer			

**ESG Working Groups:** Coordinated through the ESG Program Office, three of our ESG working groups are responsible for developing climate-related initiatives to recommend to the ESG Advisory Committee. These working groups meet at least monthly.

### 1. Climate Risk Working Group

- a. Recommend, monitor and support implementation of climate risk and opportunity approach
- b. Membership comprises the following roles:

- Director, Climate Risk & Strategy
- Head of Corporate Social Responsibility
- Director, ESG Program Lead
- Senior Director, Regulatory Affairs
- Director of Credit Risk Management, UK
- Senior Credit Officer, Climate Tech Solutions
- Director, Operational Risk
- Senior Manager, Operational Risk
- Senior Director, Operational Risk
- Head of Credit Portfolio Analytics
- Credit Risk Officer, Germany
- Senior Regulatory Affairs Director, Europe, Middle East and Africa

### 2. ESG Communications & Disclosures Working Group

- a. Recommend ESG disclosure strategy, from frameworks to metrics
- b. Support and review ESG disclosures
- c. Membership comprises the following roles:

- Senior ESG Reporting and Program Manager
- Investor Relations Director
- Head of Accounting Policy
- Director, ESG Program Lead
- Head of Corporate Communications & Reputation
- Senior GAAP Accounting and External Communications Manager
- Director, ESG Climate Risk & Strategy
- Counsel

### 3. Operational Climate Working Group

- a. Monitor and support implementation of operational GHG reduction initiatives
- b. Review and approve scope of GHG inventory each year
- c. Ensure timely data collection for GHG inventory each year
- d. Membership comprises the following roles:

- Director, Climate Risk & Strategy
- Chief of Staff – Chief Information Officer's Office
- Senior ESG Reporting and Program Manager
- Director, ESG Program Lead
- Senior Manager, Workplace Services
- Director, Real Estate
- Procurement process innovation manager
- Senior Manager, Sourcing

Please see page 11 of the 2021 ESG Report for the organizational chart of our ESG governance structure.



# Strategy

SVB is committed to supporting and financing innovation and technology-based solutions that will lead to a sustainable future with economic growth and social equity. By virtue of our role in the global innovation economy, we support many companies and business models that are working to decarbonize the economy. We believe that the transition to a low-carbon, climate-resilient economy largely presents an opportunity for SVB and our clients.

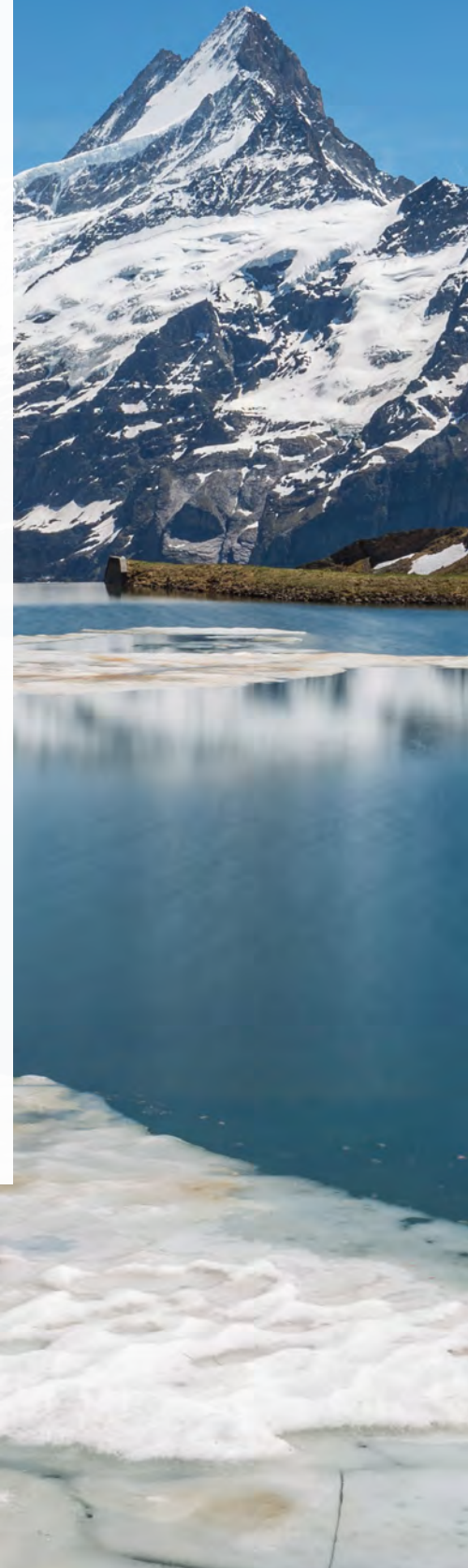
With our Climate Tech and Sustainability team, alongside our renewable-energy Project Finance team, we serve clients in such sectors as renewable energy and infrastructure, mobility, energy transition, agriculture and food, recycling and waste management, and water and air.

Our capabilities in venture debt, mezzanine finance, growth and working capital, global payments, foreign exchange, trade finance and investment management provide powerful financing solutions for climate innovations. Our most significant contribution to enabling the transition to a low-carbon economy will be to continue serving entrepreneurs and business models that speed this transition.

At the same time, a changing climate and the related complex policy, market and societal dynamics pose risks and uncertainties for SVB and our clients. Direct climate-related risks are increasing in frequency and severity, including wildfires and droughts in the western United States and hurricanes and flooding in the South, Midwest and East.

Regulatory and legislative risks are an increasing likelihood, particularly for businesses that are not prepared for a climate-changed future.

While SVB has some direct exposure to both physical and transition climate risks, we see more opportunity than downside. We are committed to evolving our strategy and risk management approach to remain in the forefront of climate innovation and to apply best practices in risk management.



# Climate Risks and Opportunities Affecting SVB over the Short, Medium and Long Terms

**Defining time frames:** Climate risks — both physical and transition — and opportunities will have an impact on SVB's business and operations now and in the future. Based on SVB's business model and TCFD guidance, we have identified the short-, medium- and long-term time frames through which to evaluate climate risks and opportunities.

The short-term time frame aligns with the largest portion of our lending portfolio, comprising primarily loans to clients in our Global Funds Banking Practice. The longer-term time frame aligns with the maturity of our longest-term products, primarily Private Bank mortgages and loans to premium wine clients, many of which are real estate-secured. These time frames align with how we report remaining contractual maturity of loans on our Form 10-K.

**Table 2: Understanding Climate Risk Time Frames and SVB's Loan Portfolio**

Risk-Based Segment		Percentage of Portfolio by Remaining Contractual Maturity of Loans* (Year End 2020)		
		Short Term: < 1 Year	Medium Term: 1 – 5 Years	Long Term: > 5 Years
Global Funds Banking		55%	1%	0%
Technology and life science/ healthcare	Investor dependent	1%	9%	0%
	Cash flow dependent	3%	7%	1%
	Balance sheet dependent	1%	4%	0%
Private bank		0%	1%	9%
Wine		0%	1%	1%
Other (include SBA PPP)		0%	3%	0%
Total**		61%	27%	12%

\*Additional details can be found in our 2020 Form 10-K discussion of remaining contractual maturity of loans. Figures do not include the Boston Private acquisition, which closed on July 1, 2021.

\*\*Due to rounding, numbers presented throughout this and other documents may not reconcile precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

Guided by the TCFD's categorization of climate risks, SVB's Climate Risk Working Group has begun a process to evaluate how climate risks – both physical and transition – intersect across our risk stripes and business units, and the working group will evolve our TCFD disclosures accordingly over time.

Table 3 shows a preliminary assessment of select pathways through which climate risks may affect our businesses, strategy and financial planning.

**Table 3. Example Physical and Transition Climate Risks Relevant to SVB**

Climate Risk		Examples
Physical risks	Acute physical risks	Acute physical risks from climate-related weather events and changing weather patterns – such as prolonged drought, wildfires and floods – can adversely affect our business, financial conditions and results of operations. In our premium wine portfolio, for example, potential smoke taint or crop loss from wildfires may pose a potential credit risk, although our client portfolio experienced limited damage from the 2020 California wildfires.
	Chronic physical risks	Chronic physical risks from climate-related weather events and changing weather patterns can adversely affect our business, financial condition and results of operations. Increasing temperatures, for example, have the potential to impact SVB's premium wine clients.
Transition risks	Policy and legal	SVB's enterprise risk management and legal departments regularly monitor for potential regulatory risks, including current and future climate-related regulations. Without appropriate controls, climate risk regulations for financial institutions might pose a compliance risk. SVB would be exposed to legal risk if we failed to monitor and comply with newly enacted climate risk regulations or climate-related reporting requirements.
	Technology	There is a risk that our cleantech clients' technologies may not achieve their objectives. There is also a risk that SVB may miss business opportunities driven by disruptive technology if we are not monitoring market trends effectively.
	Market	Market risks that may affect SVB's business lines are regularly monitored. A climate-driven market risk, for example, is the potential for acute or chronic physical climate impacts, such as wildfire, to affect the value of certain housing markets where SVB offers Private Bank mortgages.
	Reputation	SVB could be exposed to reputation risk if we bank technology or business models that contribute to climate change.

**Carbon assets:** SVB does not lend to clients that extract, produce or generate electricity from fossil fuels and therefore has no exposure to carbon-related assets. TCFD defines carbon assets as “those assets tied to the energy and utilities sectors under the Global Industry Classification Standard, excluding water utilities and independent power and renewable electricity producer industries.” We also do not work with businesses in high-GHG-emitting sectors, such as mining and heavy industry.

Climate opportunities are top of mind, especially for our Climate Tech and Sustainability team. Dedicated to supporting clients that are innovating new technologies and business models that generate sustainable impact, this team pursues opportunities to provide SVB's climate-driven clients with new products and services that match their needs. Underlying the opportunity for SVB are the opportunities for our clients, as illustrated in the table below, using TCFD guidance on categorizing climate opportunities.



**Table 4. Examples of Climate Opportunities Relevant to SVB and Our Clients**

SVB's Opportunity	Potential Financial Impact	Our Clients' Opportunities	Examples
Products and Services	<ul style="list-style-type: none"> <li>– Increase revenue by offering new financial products to meet clients' needs or by expanding client base</li> <li>– Enhance competitive position in climate tech space</li> <li>– Enhance our brand and reputation with key stakeholders, including clients, investors and employees</li> </ul>	Resource efficiency	Energy-efficiency technology and energy demand management
		Energy source	Renewable-energy and infrastructure project finance, including battery storage and community solar
		Products and services	Alternative proteins, electric vehicles, renewable chemicals and carbon capture



# Impact of Climate-Related Risks and Opportunities on SVB's Business, Strategy and Financial Planning

**Business context:** Understanding SVB's business is essential to understanding the potential impact of climate-related risks and opportunities on that business, including our hypothesis that climate opportunities may be more significant than climate risks. SVB has four core businesses, but the focus of this discussion is on the lending activity of SVB's Commercial Bank and Private Bank due to the relative size of the Commercial Bank and the growth of our Private Bank through the acquisition of Boston Private, which closed on July 1, 2021. Given common sectoral and geographic themes, however, many insights apply across segments.

**Table 5. Summary of SVB's Operating Segments**

Operating Segments	Summary Results (Year End 2020)	
	Percentage of Income Before Tax	Percentage of Assets
<p><b>SVB Commercial Bank:</b></p> <ul style="list-style-type: none"> <li>— <b>Commercial Bank</b> serves commercial clients in key innovation markets, primarily <b>technology</b> and <b>life sciences</b>, providing financial solutions through credit, treasury management, foreign exchange, trade finance and other financial products and services.</li> <li>— <b>Global Funds Banking</b> provides banking products and services primarily to our <b>private equity</b> and <b>venture capital</b> clients.</li> <li>— <b>SVB Wine</b> provides banking products and services to our premium wine industry clients, including vineyard development loans.</li> <li>— <b>Debt Fund Investments</b> comprises our investments in certain debt funds in which SVB is a strategic investor.</li> </ul>	83%	87%
<p><b>SVB Private Bank:</b> Provides financial solutions for its clients which are primarily executive leaders and senior investment professionals in the innovation economy, many of whom are also SVB Commercial Bank clients. Mortgages represented 83% of this portfolio on December 31, 2020. This portfolio includes a mortgage program available to SVB employees.</p>	1%	5%
<p><b>SVB Capital:</b> The funds management business of SVB Financial Group, focused primarily on venture capital investments. The SVB Capital family of funds comprises direct venture funds that invest in companies and funds-of-funds that invest in other VC funds.</p>	10%	1%
<p><b>SVB Leerink:</b> Investment bank specializing in innovation-minded healthcare and life science companies. As of September 2021, the investment bank expanded to serve technology companies as well.</p>	7%	1%

\*Additional details can be found in our 2020 10-K discussion of operating segment results. Figures do not include the Boston Private acquisition, which closed on July 1, 2021. Due to rounding, numbers presented throughout this and other documents may not reconcile precisely to the totals provided, and percentages may not precisely reflect the absolute figures.



**Geographical context:** We broadly serve clients within the United States, as well as non-US-based clients in key international innovation markets via our offices and operations in the United Kingdom, Ireland, Germany, Israel, China, Hong Kong, Canada, India and Denmark. As of year-end 2020, we derived substantially all of our revenue from US clients, with less than 10% of our total revenue from foreign clients in 2020, 2019 and 2018. While our consideration of climate risks and opportunities is global, those in the US market are of primary relevance thus far. With a branch in the United Kingdom, which anchors our growing European and Middle Eastern business, UK banking regulations on climate change inform our approach.



**Sector context:** Our clients are entrepreneurs and companies in the technology, life science and healthcare, and wine industries, as well as the private equity and VC investors that back them. Our business model generates a different climate risk exposure from many other banks. For example, as noted earlier, we do not have carbon assets, and therefore our exposure to transition risks differs from that of banks that do. In terms of physical risk, many of our innovation clients are not dependent on physical assets and therefore are less likely to be materially affected by the physical risks of climate change than manufacturing operations, for example.

- Our **technology** clients tend to be predominantly in the industries of fintech; enterprise and consumer software/internet (such as infrastructure software, applications, software services, digital content and advertising technology); frontier tech and hardware (such as semiconductors, communications, data, storage and electronics); and innovations in climate technology and sustainability. The tech sector is subject to both physical and transition risks — for example, risks associated with the energy required to run data centers — and SVB will continue to examine the magnitude and impact of these risks. As previously noted, however, we believe that the transition to a low-carbon economy is largely an opportunity for our technology clients, particularly in the climate tech sector.
- Our **life science/healthcare** clients primarily tend to be in the industries of biotechnology, medical devices, healthcare information technology and healthcare services. As a key part of the US economy, the healthcare sector will be affected by the broader macroeconomic impacts of climate change, and SVB will continue to examine these risks; however, preliminary review indicates that climate risks and opportunities are less likely to be material to this client sector than others in our client base.
- In our **Global Funds Banking** division, we serve clients in the private equity and venture capital community, many of whom are investors in our technology and life science clients. We provide credit facilities to these firms, including capital call lines of credit, the repayment of which depends on the payment of capital calls or management fees by the underlying limited partner investors in the funds managed by the firms. Although these investors will be subject to the macroeconomic effects of climate change, given very low credit risk and short-term financial exposure, this sector is less likely to be a significant driver of climate risk for SVB. In addition, many of our private equity and VC clients are pursuing climate investment opportunities.
- **Residential mortgages.** The Private Bank portfolio through 2020 comprises primarily mortgages, with a concentration in California, although regional distribution will change in the future due to the acquisition of Boston Private. While only 4% of total assets as of year-end 2020, this sector is exposed to physical risks in both the short and long term, particularly wildfire risks in California. (See the discussion below of our pilot scenario assessment of this sector.)
- **Wine.** SVB is one of the leading providers of financial services to premium wine producers across the western United States, primarily in California's Napa Valley, Sonoma County and Central Coast regions, as well as the Pacific Northwest. Although comprising only 1% of total assets as of year-end 2020, our wine portfolio is subject to physical climate risks, including drought and wildfire, as well as transition risks that may affect the economy (e.g., regulatory responses to water shortages). (See the additional discussion of our pilot scenario assessment of this sector.)

Given the sector composition of our loan book, preliminary analysis indicates that our portfolio has relatively limited vulnerability to direct climate risks. We will continue to refine and deepen our assessment of the climate risks and opportunities that are salient to SVB's business strategy.

**Operations.** Business disruptions and interruptions due to natural disasters can adversely affect our business, financial condition and results of operations. Our operations and our employees' homes can be subject to natural disasters, including floods and extreme weather events, which may be intensified by the effects of climate change and changing weather patterns. We have integrated processes to identify, assess and manage these risks into our operational risk management procedures.

Incorporated into our strategic planning are Business Continuity and Disaster Recovery plans and practices, which SVB uses to sustain the organization's level of preparedness. SVB also provides funds to assist employees in the case that they are unable to work due to natural disasters. For example, in addition to posing risk to our Private Bank mortgage and premium wine portfolios, wildfire risk is an ongoing threat to both our operations and our employees in California. In 2020, SVB provided coverage for hotel, food and incidentals for employees affected by wildfires.

# Financing the Climate Transition: An Opportunity for Our Clients and Ourselves

**The opportunity is significant.** Deep decarbonization of the economy will necessitate innovative technology and business models in every sector. Foundational technology in clean energy solutions is now proven and on a levelized cost parity with fossil fuel sources. Enabling technology exists to support the development and the growth of new climate tech and sustainability innovations. Globally, and increasingly in the United States, policymakers and regulators are taking action to support technology-based solutions for a decarbonized economy. Consumers are making purchase and brand loyalty decisions based on companies' environmental and social impacts, and investors are committing increasingly large amounts of capital to climate tech and sustainability solutions. The result of these intertwining drivers is unprecedented demand and support for climate tech solutions.

In SVB's July 2021 report, [The Future of Climate Tech](#), we mapped out the sectors that have potential for the greatest climate impact in the shortest amount of time. These sectors are ripe with opportunity with existing, proven technology readily deployable to support decarbonization. Electrification – including grid stability, smart devices, demand management, clean energy generation, storage and transmission – will create millions of jobs and present opportunities to upgrade aging infrastructure. Agriculture and food innovations will contribute materially to both mitigating climate change and feeding the world's growing population.

## Disrupting the climate crisis

### US GHG Emissions by Sector and Potential for Technological Disruption



Silicon Valley Bank. (2021). Us GHG Emissions by Sector and Potential for Technological Disruption. The Future of Climate Tech.

# SVB's Future of Climate Tech Report

The Future of Climate Tech Report identified increased venture capital flow to climate sectors and includes the following highlights:

- Venture investment in climate tech is on track for a record year. SVB anticipates \$58 billion of capital invested by year-end 2021, beating the 2020 record of \$35 billion. In the first four months of 2021, nearly \$30 billion was invested in climate tech companies.
- Similarly, venture fundraising for climate tech-focused funds is on track to hit a record \$26 billion in 2021, as ESG factors have become a priority for limited partners in VC funds. Today, the typical climate tech fund takes a year to close – five months less than the industry average.
- Food and agriculture saw a slight boost (four percentage points) in revenue growth in 2020 compared with 2019, but many climate tech companies in the transportation and energy sectors were exposed to lower revenue growth (48 and 44 percentage point decreases for transportation and energy, respectively) like much of the rest of the global economy due to decreased consumer demand because of the pandemic. As demand waned, companies placed greater emphasis on expense reduction and management in these verticals.

**With our Climate Tech and Sustainability team, we are positioned to capture the climate opportunity.** Our leadership role in the innovation economy and deep experience supporting evolving technologies enable us to contribute to the transition to a more equitable, net zero-emission economy. For more than 12 years, our recently renamed Climate Tech and Sustainability team and Project Finance team have been dedicated to supporting clients that develop solutions for a more sustainable world, monitoring emerging climate-driven technology and business models, collaborating with clients that innovate climate solutions, and developing innovative financing products and long-term relationships to support clients' growth. We currently have more than 500 clients in our portfolio and consider this market a significant opportunity driver for both our business and the public's access to innovation that tackles climate change.

**Climate Tech VC Investment Activity<sup>1, 2</sup>**





**We are financing the low-carbon energy transition.** We continue to grow SVB's lending and services to cleantech and renewable-energy clients, working with companies that are disrupting the energy sector and supporting the transition to the lower-carbon grid of tomorrow. SVB supports clients that are building energy management, demand response and energy storage, including improvements and alternatives to existing lithium-ion battery technologies.

### SVB Client Story



**OhmConnect:** OhmConnect is building North America's largest distributed clean power plant, focusing on creating a power grid that's more resilient to fires, heat waves and the effects of climate change. They also offer a free and secure service that lets you know when energy is coming from dirty power plants and pays you to reduce usage. Winner of the FastCompany 2021 World Changing Ideas Award, OhmConnect provides SVB employees, along with any residents in CA, an opportunity to earn money and prizes for participating in a cleaner and more resilient power grid. SVB has partnered with OhmConnect since 2015, providing multiple early stage venture loans along with a tailored working capital solution to support their unique contract requirements with CA utilities.

As a longtime backer of the cleantech and renewable-energy ecosystem, SVB has a quickly growing Project Finance business dedicated to renewable-energy projects. In 2020, we completed 20 renewable-energy deals that financed 3,775 megawatts of solar generation and 1,213 megawatts of renewable-energy equipment; aggregated, that will avoid more than 4 million tons of CO2 annually. The opportunity is growing. According to International Energy Agency (IEA) data, even in the face of the COVID-19 downturn, wind installations increased by 90% and solar by 23%, with the IEA expecting continued capacity expansion.

SVB's renewable-energy Project Finance business has continued to grow over the past several years, and we are positioned to continue financing these projects as demand for renewable energy increases. We are proud of our track record in financing community solar projects, which are essential to making low-cost clean energy available to all consumers and businesses.

### SVB Client Story



**AES (not publicly branded as AES Clean Energy):** AES was one of the first companies to voluntarily help to reduce greenhouse gasses in the atmosphere starting with carbon offset and reforestation projects in the late 1980s. SVB started banking AES' clean energy division in 2017 and have provided \$377 million in project finance commitments to 190 renewable energy projects across the United States. One of the more notable collaborations was the Lawa'i Solar + Storage project which provides the island of Kauai with reliable, carbon-free power replacing their need to burn oil. When the project opened in 2019, it was the world's largest operational solar+ storage system and delivers roughly 11% of the island's power.

**We develop innovative financial products for innovative technologies.** As an innovator of various forms of financing, SVB develops financial products to support new technology and business models, such as energy storage as a service. Climate tech companies tend to be more capital-intensive than most tech companies and require innovative financial instruments to provide low-cost capital to asset-intensive business models such as robotics, infrastructure, energy and transportation companies. SVB continues to devise innovative financial solutions to meet the capital requirements facing these companies and provide services to improve their probability of success. The Climate Tech and Sustainability team evaluates new technology on differentiation, readiness, market size, acceptance and how an innovation mitigates climate change or advances other sustainability goals.

### SVB Client Story



**GHGSat:** Canadian-based client GHGSat focuses on helping companies in a variety of sectors identify, manage and reduce their emissions output. Their proprietary sensor technology monitors greenhouse gas emissions from its satellites and the company's satellites are the first capable of measuring methane emissions with high precision from targeted industrial facilities. GHGSat measures trace gasses at a hundred times higher spatial resolution and one percent of the cost of other satellites doing similar work. Furthermore, their most recent satellite launch has the highest resolution of methane detection ever recorded in space. At the intersection of climate tech and space tech, GHGSat's data is used for everything from mitigation strategy to policy making.

**SVB banks climate solutions in food and agriculture.** Our role in supporting the transition to a low-carbon, climate-resilient economy extends beyond the energy sector and includes serving companies in the alternative protein sector.

Increasing consumer demand for alternative proteins is the result of the growing awareness of climate impacts, human health and poor animal welfare linked to animal products. Consumer interest in alternative protein products is growing, as 76% of Americans believe that plant-based foods are a healthy alternative to animal proteins. Plant-based meat and dairy products are projected to grow at 20.3% compounded annually between 2018 and 2024. SVB has developed a team with deep expertise working with foodtech companies to serve clients in this growing market.

### SVB Client Story



**Impossible Foods:** Animal agriculture uses a tremendous amount of the world's natural resources, an issue that is becoming more apparent as the global population continues to grow. Impossible Foods makes meat, dairy and fish from plants with their mission to make the global food system truly sustainable by eliminating the need to make food from animals altogether. In 2016, they launched the Impossible™ Burger which was completely plant-based and uses a fraction of the resources it requires to make meat from a cow. Since then they've gone on to add other products such as sausage, chicken and pork. SVB works with Impossible Foods by providing a robust and integrated banking platform and a full suite of products and services. We are aligned with the company in our efforts to drive sustainability best practices and to mitigate climate change.

# Scenario analysis

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To test the resilience of our strategy to climate risks, SVB has begun a pilot physical risk scenario assessment, looking at the potential impact of wildfires on our California-based Private Bank mortgage and wine portfolios. We identified these two lines of business as more likely to be directly affected by climate risks, as opposed to the majority of our Commercial Bank portfolio. The objectives of the pilot were to develop an approach to understanding SVB's vulnerability to climate hazards under different scenarios, develop a preliminary view of climate-adjusted risk metrics, apply lessons learned to improve our climate risk assessment and management processes and inform future climate scenario assessments.

**Selection of portfolio for pilot scenario assessment:** The Climate Risk Working Group selected the Private Bank mortgage and premium wine portfolios because, unlike most of our lending portfolio, they are secured by physical assets, with a concentration in the San Francisco Bay Area and Northern California that is exposed to wildfire and other regional climate risks, such as drought. In addition, as indicated in Table 3, our Private Bank and wine portfolios comprise nearly the entirety of our long-term lending.

Strategically, the Climate Risk Working Group identified the Private Bank mortgage portfolio as an important area for understanding strategic resilience and vulnerability in light of the growth of the portfolio through the acquisition of Boston Private, which closed on July 1, 2021. Given the different geographic exposure of the Boston Private mortgage portfolio, the physical risks and related physical impact metrics will likely differ; however, we expect to identify commonalities in evaluating financial impacts and managing strategic resiliency.

We have selected 25 representative locations in the San Francisco Bay Area and Northern California on which to conduct the pilot. The locations are identified at the ZIP code level and were prioritized based on volume of outstanding balances in each portfolio as of April 2021. Of the 25 locations, 13 ZIP codes contain only mortgage loans, one contains only premium wine and the remainder contain both.

**Approach to pilot scenario assessment.** This pilot scenario analysis was informed by guidance and case studies published by the Network on Greening the Financial System (NGFS), which is a consortium of global financial regulators; the United Nations Environment Programme Finance Initiative, in which many global commercial banks have participated in pilot scenario analyses; and the Climate Financial Risk Forum, convened by the Bank of England. In terms of methodology, we are using internal experts to assess financial impacts, with physical scenario analyses provided by Anthesis Group in collaboration with Resilient Analytics.

**Evaluating wildfire risks.** The Climate Risk Working Group elected to evaluate the risk of increased wildfire affecting the California-based mortgage and wine portfolios. As recent summers have made clear, the California wildfire season is intensifying and starting earlier; consequently, wildfire risk is very relevant in the short term and will likely remain so over the long term. To assess exposure to wildfire risks, we used the Keetch-Byram Drought Index (KBDI), which is commonly used specifically for fire risk assessment.



KBDI represents conditions that are conducive to wildfire potential, evaluating precipitation and temperature to consider the effect of soil moisture deficits. KBDI is typically categorized in four ranges:

- **Low KBDI (0 – 200).** Soil moisture and wildfire fuel moistures are high and do not contribute much to fire intensity, typical of spring following winter precipitation.
- **Moderate KBDI (200 – 400).** Typical of late spring and the early growing season, with wildfire fuel drying and beginning to contribute to fire intensity.
- **High KBDI (400 – 600).** Typical of late summer and early fall, dry conditions actively contribute to fire intensity, and ground-level fuel will burn actively.
- **Extreme KBDI (600 – 800).** Often associated with more severe drought with increased wildfire occurrence. Intense, deep burning fires with significant downwind spotting can be expected. Live fuels can also be expected to burn actively at these levels.

For this analysis, daily KBDI was calculated for selected locations and the surrounding 17-mile diameter areas to quantify the overall risk for each location. Using daily KBDI, the following four KBDI impact metrics were calculated for each ZIP code:

- **Average Summer KBDI:** Average daily KBDI score during the summertime
- **Maximum Summer KBDI:** Maximum KBDI score for the surrounding area during the summertime
- **Average Annual Number of Extreme KBDI Days:** Average annual number of days in which KBDI exceeds 600
- **Maximum Annual Number of Extreme KBDI Days:** Highest number of days during which KBDI exceeds 600

**Scenarios.** NGFS scenarios relevant to physical climate risks fall into two separate temperature categories:

- The **“orderly scenario”** assumes early, ambitious action to a net zero CO<sub>2</sub> emissions economy, aligned with an increase in global mean temperature (GMT) of less than 2 degrees Celsius (35.6 degrees Fahrenheit) by 2100, based on Representative Concentration Pathway (RCP) 2.6.
- The **“hot house world”** scenarios assume limited action leads to significant global warming, aligned with GMT increase of more than 3 degrees Celsius by 2100, or RCP 6.0 or RCP 8.5.

Based on guidance from our consultants, however, we determined that more pessimistic scenarios based on higher temperature increases would be more appropriate in light of the already intensifying fire seasons in California. Accordingly, we selected the following scenarios:

- **Low RCP 4.5,** aligned with an increase in GMT of less than 2 degrees Celsius by 2100
- **High RCP 4.5,** aligned with an increase in GMT of 2 to 4 degrees Celsius by 2100
- **RCP 8.5,** aligned with an increase in GMT of more than 4 degrees Celsius by 2100

For each of the three temperature scenarios, we assessed two time frames (2030 and 2050), comparing both with a baseline scenario looking at wildfire metrics from 1994 to 2013.

Definition of RCP, provided by [the NGFS](#)

Representative Concentration Pathways (RCPs) are “scenarios that include time series of emissions and concentrations of the full suite of greenhouse gases (GHGs) and aerosols and chemically active gases, as well as land use/land cover.... The word representative signifies that each RCP provides only one of many possible scenarios [that lead to a particular temperature outcome].... The term pathway emphasizes that not only the long-term concentration levels are of interest, but also the trajectory taken over time to reach that outcome.... RCPs usually refer to the portion of the concentration pathway extending up to 2100...”

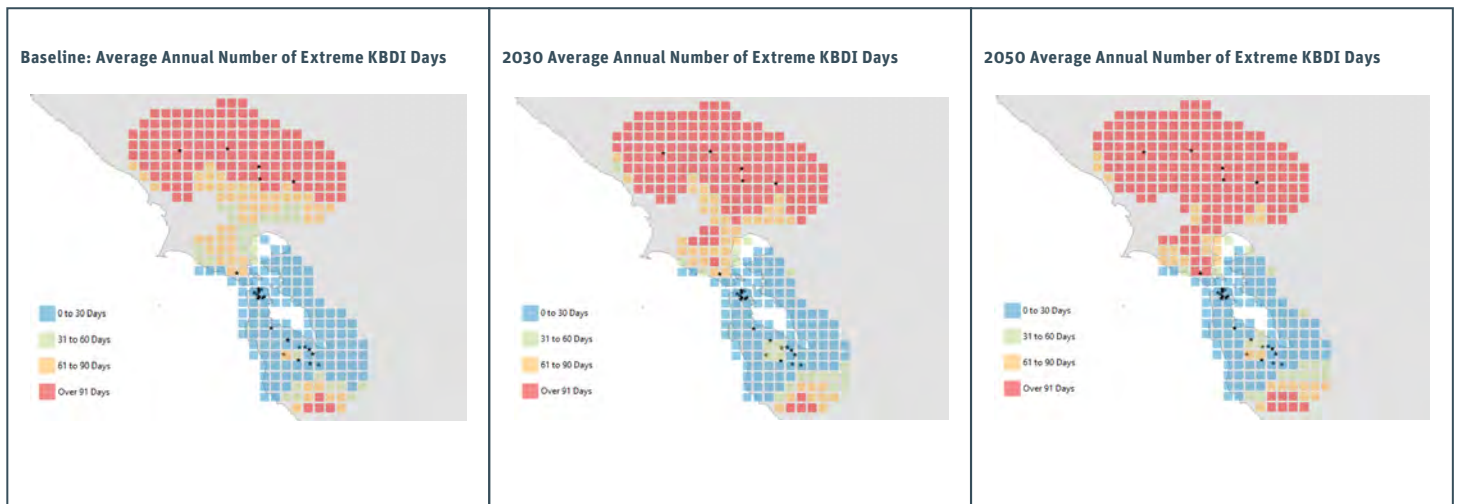


## Preliminary insights:

To date, SVB has reviewed climate modeling results showing the increased potential for wildfire using the four different KBDI metrics across the six different temperature and time frame scenarios. Across time frames, temperature scenarios and wildfire metrics, the risk of wildfire increases in most locations, although to varying degrees.

Because of the baseline elevated level of wildfire risk, in some respects physical risks to our portfolio do not change significantly over time. Rather, the potential for wildfire to have an impact on our Private Bank mortgage and premium wine portfolios is already present, and, while recent wildfires have had very limited impact on our clients and portfolio, physical risk modeling illustrates that the risk will not abate. For example, the following maps from the High RCP 4.5 scenario illustrate the risk, comparing average annual number of extreme KBDI days in 2030 and 2050 with the baseline. The black dots denote the 25 representative locations selected for this analysis.

## Average Annual Number of Extreme KBDI Days, High RCP 4.5 Scenario, 2030 and 2050 Versus the Baseline



Source: Anthesis Group and Resilient Analytics

The results of the physical risk modeling have shed light on the sustained and increasing potential for wildfire impact on our Private Bank and premium wine portfolios in the San Francisco Bay Area and Northern California. The next steps in the scenario analysis will translate physical risk metrics to potential financial risk, such as impacts on loan-to-value (LTV) ratios or probability of default. Preliminary discussions of the Climate Risk Working Group have surfaced certain methodological issues that require further exploration with respect to our Private Bank mortgages.

For example, wildfires to date have had the somewhat perverse effect of increasing property values, due to both limited housing supply in the immediate aftermath and the medium-term improvement of the housing stock when homes are rebuilt new, often to higher codes. In addition, our mortgage

portfolio consists of high credit quality borrowers (very high credit scores, high net worth and high income), many of whom have corporate banking relationships with SVB through our Commercial Bank, with loans secured by real estate collateral evidencing growing property values and low LTV ratios.

Consequently, the probability of default differs from conventional mortgage portfolios with a range of borrower credit scores. Adding to complexity, risk of loss is transferred through home insurance, which our mortgages are required to maintain; but, due to issues in the California insurance market, wildfire risks may not be fully incorporated into insurance policies in Northern California. We are working with experts across the bank as well as others in the financial sector to develop our approach, and we look forward to reporting results in future climate disclosures.



# Risk Management

## Integration into Overall Risk Management

We currently manage climate, environmental and social risks through our enterprise risk management (ERM) framework. SVB's ERM framework defines essential risk management components, specifies key ERM principles and concepts, advocates for consistent risk definitions and language, and provides clear direction and guidance for ERM. Moreover, it ensures appropriate coverage for all risk types and both the top-down and the bottom-up risk management infrastructure to enable capture, prioritization and management of risks. The 1st line of defense (LoD) identifies and manages risks within their appropriate domains; the 2nd LoD sets the standards and monitors and challenges the 1st LoD.

SVB's ERM framework is designed to identify and manage our risk exposure — including to credit, market, operational, compliance, strategic and reputational risks — all of which may be impacted by climate change and other environmental and social risks. The framework enables risks and their drivers, such as climate change, to be identified, prioritized and managed, which is guided by our metrics, Risk Appetite Statement, and risk taxonomy and supporting policies.

Our Risk Appetite Statement, which is reviewed annually by the Board, ensures appropriate coverage for key risk types and embeds risk management in strategic planning, supported by our risk taxonomy, which provides consistent definitions for risk management and where we have identified that ESG risks may be relevant across risk types. Our framework clearly defines roles and responsibilities to enable accountability and line of sight into risk exposure. The Risk Management Advisory Committee, the most senior-level management committee for risk management and oversight at SVB, reports to the Risk Committee of the Board of Directors.

## Process for Identifying, Assessing and Managing Climate-Related Risks

Our business teams, supported by our risk, compliance, legal, finance and internal audit functions, work together to identify and manage risks applicable to our business, as well as to enhance our control environment.

For example, SVB Private Bank's Credit Risk team conducted risk reviews of the impact of California's 2020 wildfires on the portfolio. SVB conducts annual and quarterly assessments of the mortgage portfolio, including product, property type and geographical concentration analysis tracking key metrics, such as loan-to-value (LTV) and LTV trends. As part of that review, we regularly monitor natural disaster risks, including climate-related disasters, to the mortgage portfolio.

In 2020, the Credit Risk team identified wildfires in California as a risk to the mortgage portfolio. The team tracks natural disasters by overlaying the affected area



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against the mortgage portfolio to determine risks and develop a client call and action plan. When a wildfire is likely to affect SVB mortgage clients, credit risk officers implement procedures to reach out to those clients at risk, assess their safety and determine the impacts on their mortgages.

**Credit risk officers' wildfire monitoring procedures include the following steps.**

1. Check fire maps.
2. Check the Federal Emergency Management Agency website (fema.gov) to see declared disaster counties.
3. Pull a collateral report.
4. Filter by state, county and ZIP code.
5. Look up each potentially affected address to see its proximity to the fire zone.
6. Notify the responsible Relationship Manager to reach out to the client and check on their safety and well-being.
7. Send a list of potentially impacted assets to the Credit Risk team.
8. Send daily monitoring and update reports of number and collateral value of assets in and near the fire zone.

In 2020, the review process identified limited physical damage from the wildfires with accordingly little financial impact on SVB.

Guided by the recommendations of the TCFD, SVB conducted a qualitative evaluation of physical and transition risk exposure of its UK lending business. We mapped physical and transition risks against our ERM risks, evaluating the relevance of risk, overall inherent risk and residual risk after assessing controls. To conduct the analysis, we relied on a combination of SVB's internal risk and controls assessment frameworks along with climate science resources from the UK government, including the UK Climate Change Risk Assessment 2017 Synthesis Report.

For example, one transition scenario was the risk of disruption to client business models due to the transition to a low-carbon economy. In our UK client base among the Global Funds Banking, Software and Life Sciences sectors, we identified this risk as low. Rather, the climate transition is more likely an opportunity for our technology clients, and we expect that this finding will similarly apply to our US portfolio of loans.

Our Reputational Risk Management Advisory Committee informs decision-making on potential risks arising from perceptions of how our business lines and clients may have environmental and social impacts. The Reputational Risk Management Advisory Committee has an escalation path to the Executive Committee and the Risk Management Advisory Committee, which reports to the Risk Committee of the SVB Board of Directors.

In 2021, SVB's UK branch incorporated sectors subject to climate risk in its list of high-risk sectors subject to enhanced review under its Reputational Risk Policy. The policy provides a framework to limit SVB UK's exposure to clients, business models, products, market sectors and geographies that may expose the bank to reputational and/or regulatory risk.

Climate change-driven risks and their impact on both SVB's reputation and its bottom line are important to the company. We work continuously to strengthen our risk management framework to ensure consistency and completeness across our different businesses, with tailored approaches to support risk identification and management at the transaction and portfolio levels.

While our ERM framework is designed to capture key risks that we have identified we are developing a more consistent approach to surfacing ESG risks across our lending and investment portfolios. We are exploring processes to assess credit, strategic, operational and reputational risks from climate and other environmental and social issues across business segments and will identify opportunities for common policies and processes.

# Metrics & Targets

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As covered in earlier sections, we bank entrepreneurs and companies in the technology, life science and healthcare, and wine industries, as well as the private equity and VC investors who back them. As a result, while SVB and our clients will be affected by transition and physical climate risks, we largely see the transition to a net zero economy as an opportunity.

Please see the strategy section for metrics relevant to our climate risks and opportunities, which includes discussion of the following:

- In 2020, our Project Finance team completed 20 renewable-energy deals that supported 3,775 megawatts of solar generation and 1,213 megawatts of renewable-energy equipment; aggregated, that will avoid 4,270,861 tons of CO<sub>2</sub> annually.
- **Table 2** provides a breakdown of our loan portfolio by sector and remaining maturity.
- **Table 5** shows a breakdown of our four core businesses by percentage of assets and percentage of income before tax.
- This section notes that SVB derives substantially all of our revenue in the United States.
- SVB does not have exposure to carbon-related assets.

We are currently evaluating additional metrics and targets with respect to our climate risks and opportunities.





## Scope 1, 2 and 3 Emissions

SVB conducts its operational GHG emissions inventory based on the Greenhouse Gas Protocol. Through the process of collecting, calculating and reviewing emissions data, we are exploring opportunities to reduce these emissions, which are measured in metric tons per capita (mt). From 2019 to 2020, our emissions declined largely due to the global COVID-19 pandemic.

Going forward, we expect our Scope 1 and 2 emissions to decline with the implementation of emissions reduction initiatives in our offices and data centers. SVB's Scope 3 emissions are expected to rise over the near term due to business growth and the resumption of business travel and employee commuting as we emerge from the pandemic, even with the implementation of emissions reduction initiatives in these areas.

**Table 6. SVB\* Global GHG Emissions by Scope, 2019 – 2020**

GHG Emissions Scope		2019 mt CO <sub>2</sub> e	2020 mt CO <sub>2</sub> e
Scope 1		613	520
Scope 2 (location based)		7,781	6,948
Scope 2 (market based)		7,767	6,820
Scope 3	Category 3: Fuel and energy-related activities	1,530	1,395
	Category 6: Business travel	13,257	2,692
	Category 7: Employee commuting	7,268	4,018
	Category 8: Upstream Leased Asset	555	393
<b>Total</b>		<b>30,990</b>	<b>15,838</b>

\*Does not include GHG emissions from Boston Private, which was acquired in July 2021. We will adjust 2019 and 2020 inventories with Boston Private emissions in future disclosures.

We are monitoring initiatives to calculate and report on Scope 3, Category 15, or financed emissions associated with lending and investment. Our loan portfolio does not align with many of the sector-based methodologies currently under development. For example, the Science Based Targets Initiative's Financial Sector Guidance pilot version 1.1, released in April 2021, requires targets to be set for reducing portfolio emissions and identifies a set of "Required Activities" that must be covered when setting portfolio boundaries with associated emissions calculation methodologies. Very little of our banking business falls within the "Required Activities" listed, with the exception of our Project Finance portfolio, which comprises only renewable-energy projects. We recognize that our clients generate GHG emissions, and we will monitor emerging practices on assessing portfolio emissions. We believe that our most significant contribution to enabling the transition to a low-carbon economy will be to continue banking entrepreneurs and business models that will speed this transition.

Supporting sustainable, growing businesses, including our own, requires a strong commitment to protecting our increasingly vulnerable planet and addressing a lack of access to basic human needs like food, shelter and healthcare. We support companies that are working to address climate change, energy efficiency, food security, safe drinking water and housing, among other issues. We see significant opportunity to reduce climate change and transition to a low-carbon economy based on the ambitious goals pursued by our innovative clients and their investors. Our biggest opportunity to contribute to a more sustainable world lies in our continued ability to help these clients succeed.

### SVB Client Story



**Zipline:** Zipline's mission is to provide every human on earth with instant access to vital medical supplies using drone technology. By using drones, they can access remote areas to deliver vaccines, blood and medicines to underserved and hard to reach places which wouldn't normally receive reliable medical deliveries. Zipline designs, manufactures and operates delivery drones across their own global distribution centers. Not only are their drones eco-friendly, electric and recyclable, but they also create job opportunities in their local areas. They have built partnerships with national civil aviation authorities who collaborate with Zipline to create a safe and modern airspace every day while continuing to expand their delivery network.

### SVB Client Story



**bluebird bio:** bluebird bio's focus is to make major strides in the uniquely promising world of gene therapy, believing it delivers the chance for people with severe genetic diseases and cancer to live fully regardless of what's written in their DNA. They're currently working toward four potential product approvals by 2022 while also maintaining their pipeline to take on a range of severe diseases. bluebird bio is powered by multiple labs, in-house lentiviral vector manufacturing capabilities and future drug product production which all play crucial roles in their gene therapy research. Beyond their labs, bluebird bio is working to positively disrupt the healthcare system to create access, transparency and education so that gene therapy can become available to all those who can benefit.

### SVB Client Story



**Iron Ox:** Iron Ox builds advanced autonomous robotics and data-enabled greenhouses that leverage natural sunlight, reducing water usage by 90% compared to traditional farming. The outcome: natural herbs, fruits and vegetables. Iron Ox is driven to make healthier food more accessible, using fewer resources, to address food security globally. SVB provided Iron Ox with venture debt to help scale the development and deployment of its autonomous robotics technology.

### SVB Client Story



**Source Global PBC (Zero Mass Water):** SOURCE Global, PBC has created the world's first renewable drinking water system. Its sustainable technology, the SOURCE Hydropanel, uses the power of the sun to extract an endless supply of reliable drinking water straight from the air. SOURCE Global, PBC empowers people around the world to take control of their water supply. SVB provided SOURCE Global, PBC with venture debt to further develop its technology and expand operations.

# Practicing Responsible Corporate Governance



Silicon Valley Bank

Silicon Valley Bank  
Trek 2016  
Where today's innovators converge

January 4-7, 2016  
San Francisco



# Being a Responsible Corporate Citizen

Strong corporate governance is essential for public trust, how we manage our business and ultimately our success. We are committed to upholding the highest ethical standards across our business and at all levels to support responsible growth. Documents related to our corporate governance practices, including our Corporate Governance Guidelines and Proxy Statement, are available on our website.

## Board of Directors

Our Board of Directors provides oversight of our corporate governance, advises on our strategy and maintains six committees to oversee key areas of our business.

### Board Committees

Committee	Key Oversight Responsibilities
Audit Committee	<ul style="list-style-type: none"> <li>Quality and integrity of our financial statements, including internal controls over financial reporting</li> <li>Independent auditor of SVB, including its qualification, independence, engagement, compensation and performance</li> <li>Internal audit function of SVB, as well as other key areas, including information technology, security (including cybersecurity), litigation and regulatory enforcement matters</li> </ul>
Compensation Committee	<ul style="list-style-type: none"> <li>Overall compensation strategies, plans, policies and programs</li> <li>Executive and director compensation approval</li> <li>Compensation risk management, including annual compensation-related risk assessments</li> </ul>
Credit Committee	<ul style="list-style-type: none"> <li>Credit and lending strategies, objectives and risks, primarily of SVB</li> <li>Credit risk management, including reviewing internal credit policies and establishing portfolio limits</li> <li>Quality and performance of the credit portfolio</li> </ul>
Finance Committee	<ul style="list-style-type: none"> <li>Financial strategies, objectives and risks relating to capital and liquidity management, investments, derivative activities and funds management</li> <li>Annual budget of SVB and recommendation to the Board of Directors for approval</li> <li>Compliance with certain applicable financial regulatory requirements, including capital adequacy and planning</li> <li>Material corporate development matters that may result in a significant financial impact</li> </ul>
Governance Committee	<ul style="list-style-type: none"> <li>Corporate governance practices, including our Corporate Governance Guidelines</li> <li>Annual performance evaluation processes of our Board of Directors and its committees and the CEO</li> <li>Identification and nomination of director candidates</li> <li>Regulatory compliance function of SVB, including financial crimes risk management</li> <li>ESG and political practices of the company</li> </ul>
Risk Committee	<ul style="list-style-type: none"> <li>Enterprise-wide risk management policies of SVB</li> <li>Operation of our enterprise-wide risk management framework</li> <li>Risk Appetite Statement of SVB, including recommendations to the Board of Directors regarding any changes</li> <li>Overall risk profile of SVB</li> </ul>

For more information about our board committees, please see our latest [Proxy Statement](#).

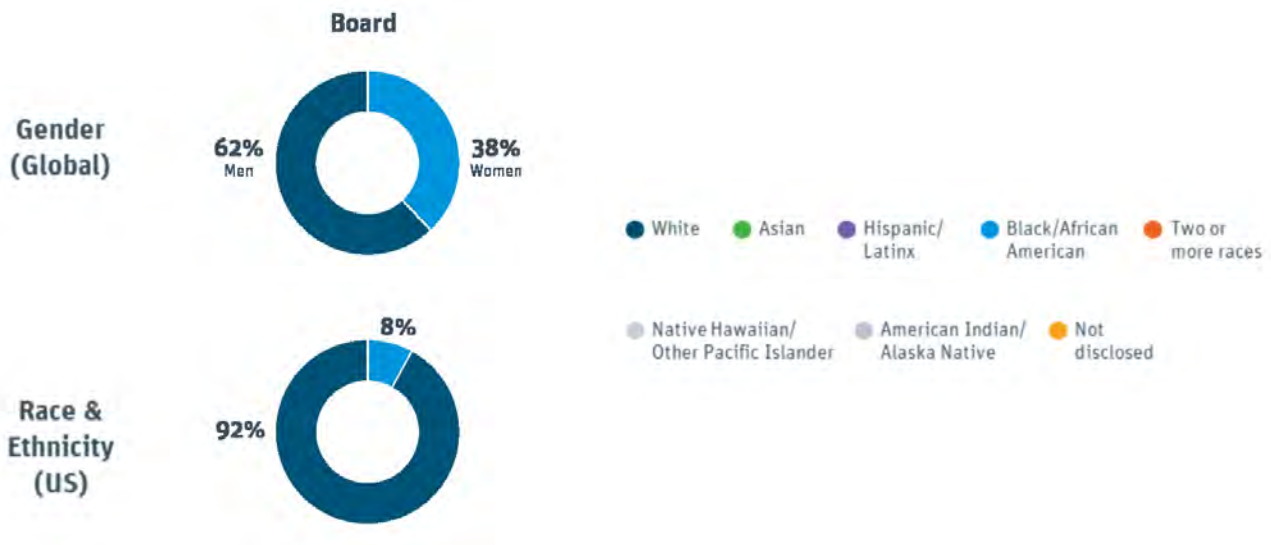
## Board Diversity

The SVB Board of Directors values well-rounded representation and business acumen that, taken together, reflects a balanced mix of skills, experience, backgrounds and attributes applicable to SVB’s business, strategy and stakeholder interests. The Board takes a multidimensional approach to diversity and considers a variety of skills and attributes:

- Industry experience, particularly in banking and our client industries
- Functional, technical or other professional expertise
- Gender, age or racial/ethnic diversity
- Other important attributes, such as veteran status and geographical diversity

During 2020 and continuing into 2021, the Governance Committee continued to prioritize board diversity and committed to expanding its gender, racial and ethnic representation, including working with its outside director search firm to include racially and ethnically diverse candidates for consideration. As a result of those efforts, the board added three new members whose diverse experiences and backgrounds will complement the Board’s existing strengths.

Moving forward, the Governance Committee’s focus on overall diversity will continue, including on race/ethnicity and other factors. The Governance Committee remains committed to being more intentional about seeking and including diverse candidates in its director recruitment efforts.





## Executive Leadership Team

Leading with our values, our Executive team is dedicated to the success of our employees and our clients. The tone from the top is one of collaboration, inclusion and transparency. Our Executive team has an average tenure of 12 years at SVB, including three executives with more than 20 years with the company:

- **Greg Becker**, President and CEO, SVB Financial Group; CEO, Silicon Valley Bank
- **Daniel Beck**, Chief Financial Officer
- **Yvette Butler**, President, SVB Private Banking & Wealth Management
- **Marc Cadieux**, Chief Credit Officer
- **John China**, President, SVB Capital
- **Phil Cox**, Chief Operations Officer
- **Anthony DeChellis**, Chief Executive Officer, SVB Private Banking & Wealth Management
- **Michelle Draper**, Chief Marketing Officer
- **Chris Edmonds-Waters**, Chief Human Resources Officer
- **Laura Izurieta**, Chief Risk Officer
- **Jeffrey Leerink**, Chief Executive Officer, SVB Leerink
- **John Peters**, Chief Auditor
- **Michael Zuckert**, General Counsel



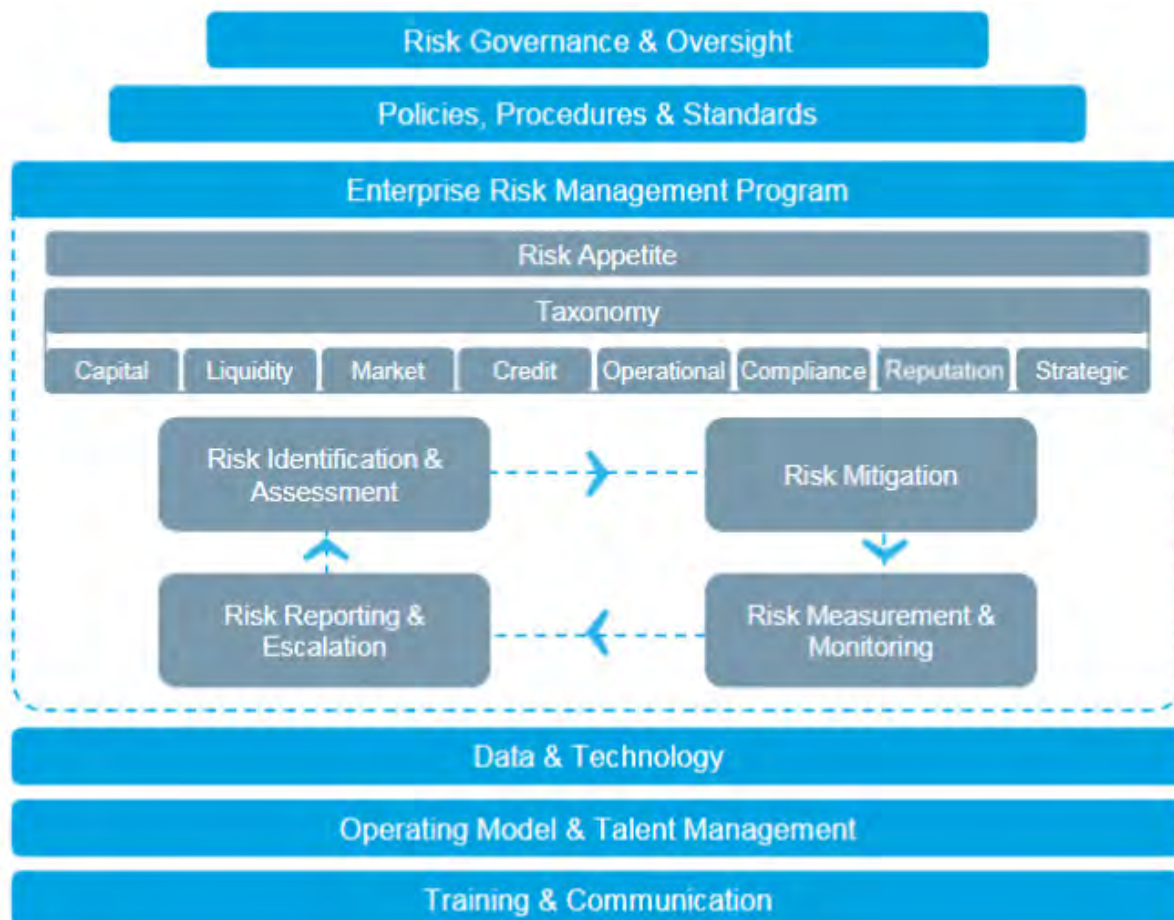
# Enterprise Risk Management (ERM)

SVB recognizes risk taking as a fundamental part of its business and believes that effective risk management is of primary importance to its success. As SVB continues to grow, the company is strengthening its ERM approach to comply with new and applicable regulations, adopt appropriate strategies to ensure that the risk management function is fit for the current and future environment.

SVB is committed to maintaining and enhancing an ERM framework that is commensurate with our growing size and complexity. Our risk framework outlines our approach to enterprise-wide risk management:

- Defines essential enterprise risk management components
- Specifies key ERM principles and concepts
- Advocates for consistent risk definitions and language
- Provides clear direction and guidance for ERM

## ERM Framework



# Regulatory Compliance

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Trust and credibility are the cornerstones of a successful working relationship with our regulators. SVB is committed to promoting strong regulatory relationships through transparent, efficient and effective regulatory engagement and acting in accordance with our Code of Conduct and values. We fully comply with bank regulations. Among our regulators are the Federal Reserve Bank in the US and the Bank of England's Prudential Regulatory authority in the UK.

## Anti-Money Laundering

At SVB, we are committed to following all laws and regulations pertaining to anti-money laundering. Our Bank Secrecy Act/ Anti-Money Laundering (BSA/AML) program, which includes our BSA/AML Policy, is designed to ensure that we do not serve as a conduit for money laundering, terrorist financing or other financial crimes. Our BSA/AML program is developed, maintained and implemented by our BSA/AML Officer under the oversight of our Board of Directors and senior management.

As part of our BSA/AML program, we implement internal controls designed to provide reasonable assurance of compliance with all BSA/AML regulatory requirements. This is in conjunction with our Client Due Diligence program, which is a set of regulations and regulatory expectations that require SVB to obtain specific information to identify our clients. It enables us to understand the purpose and the nature of our customer relationships so that we can develop a customer risk profile and risk rating.

We then require our Internal Audit department or an independent third party to review our compliance with BSA/AML regulations and our BSA/AML Policy on an annual basis. In addition, we require all employees, senior management and the Board of Directors to receive appropriate BSA/AML training, consisting of new hire training, annual training and supplemental training designed for functional responsibilities.

## Anti-Bribery and Corruption

Our Anti-Bribery and Corruption (ABC) Compliance Policy, which is designed to ensure compliance with anti-bribery and corruption laws and regulations in the areas in which we operate, is part of our commitment to acting with integrity. All employees must adhere to our ABC Compliance Policy and the related sections of our Code of Conduct. We require all employees and senior management to receive ABC compliance training upon hire and annually.

## Code of Conduct

Our Code of Conduct, an extension of SVB's values, provides a set of ethical principles to help guide our professional and personal conduct. The Code reflects SVB's longstanding belief in responsible and ethical business practices and compliance with corresponding regulatory requirements. It is the formal expression of our commitment to ethical conduct above and beyond minimum legal and regulatory requirements. Each employee is expected to be familiar with the Code's content and to comply with its requirements. The Code of Conduct also applies to the members of our Board of Directors, in their capacity as directors, to the extent applicable or appropriate.

The Human Resources department oversees the communication and interpretation of the Code of Conduct.

SVB is committed to regularly reviewing and updating its policies and procedures. Therefore, the Code of Conduct is subject to modification. SVB posts the Code of Conduct on SVB's website and makes other disclosures relating to it as required by applicable laws or regulations.

Please see our [Code of Conduct on our website](#) for further information.

## Reporting Violations

Employees may report violations of the Code of Conduct to their immediate supervisor, their group manager, any people manager, a Human Resources business partner, the Chief Human Resources Officer, the General Counsel, any member of the legal team or any member of the Executive Committee. Employees may also send a letter to the Chairman of the Audit Committee of the Board of Directors.

If they choose, employees may also make anonymous and confidential reports of unethical conduct online. We take all reports seriously and investigate each comment promptly. It is SVB's policy that no one may retaliate against any employee who provides any information about possible violations.



# Public Policy and Political Contributions

SVB participates in the political and public policy process, specifically in areas that affect the innovation economy and the banking industry. It is important that we engage with legislators and policymakers, where appropriate, and support initiatives to advocate constructively for the long-term interests of SVB and our key constituents. We focus our activities in the US and international locations where SVB has offices.

We conduct any political activity in compliance with applicable laws and regulations and as further described in our [Statement of Political Activity](#).

Our political activities are managed by the Office of Government Affairs, headed by SVB's General Counsel. The function includes advocacy planning and activities, administering the SVB Political Action Committee, complying with applicable laws and establishing appropriate policies and processes to address relevant areas, including reporting, disclosures and internal approvals of political contributions (to the extent that there are any and as permitted by law).

The Governance Committee of the Board of Directors oversees and periodically reviews SVB's political activities, including political contributions, on at least an annual basis. The Board and its Governance Committee recognize the importance of appropriate governance and risk management of our corporate political activities, and they review our activities for alignment with SVB's business strategy, reputation and mission, as well as for compliance with applicable laws and regulations. The Governance Committee also reviews and approves our Statement of Political Activity.

Our [Code of Conduct](#) provides guidelines on employees' personal political activities and political contributions funded by SVB and SVB Capital.



# Cybersecurity

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**A strong cybersecurity culture is fundamental to business success, and we dedicate ourselves to an integrated, collaborative approach surrounding business goals with risk mitigation strategies.**

**Grant Bourzikas**

Chief Security Officer

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Like other financial institutions, SVB is susceptible to information security breaches and cybersecurity-related threats and incidents. We aim to create a high level of awareness of security best practices among all of our employees via consistent communication and training. The Audit Committee reviews our Security Program on an annual basis and receives management updates about information security matters on at least a quarterly basis.

We are committed to protecting and continually enhancing the security of our systems, networks and general technology environment. Our Security Program includes appropriate security risk assessments, security monitoring, incident response, policies, operating standards, global regulatory compliance and employee training.

All global employees are required to complete information security and privacy training on an annual basis. We continually invest in enhancing our preventive and defensive capabilities in line with globally recognized information security standards, maintaining appropriate information security risk insurance policies and implementing other measures to mitigate potential threats and losses, where possible.



# Responsible Sales Practices

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At SVB, our clients are at the center of everything we do, and we emphasize the importance of great customer service, striving to not only meet our clients' needs but truly help them succeed. We believe that responsible and ethical business practices, including our sales practices, allow us to serve our clients with both empathy and integrity. Operating with these core values allows our clients to put their trust in us.

## Responsible Marketing and Privacy

Consistent with our core values, we work to maintain transparent communication with our clients as well as potential clients. We market our products in a responsible manner through clear and consistent dialogue with our clients and partners. Our marketing materials must adhere to our compliance guidance and disclosure requirements that are found in our Marketing Materials & Client Communications Policy.

We maintain our stakeholder's privacy through our marketing policies and procedures. We do not collect the identities of any person on our public website or social media channels unless an individual specifically signs up for an SVB offer or directly contacts us. Additionally, we do not share mailing lists or individual email tracking information with third parties, except as permitted or if required by law.

More information about our privacy practices and policies is available [here](#).

## Unfair Deceptive or Abusive Acts or Practices Policy

Our Unfair Deceptive or Abusive Acts or Practices Policy (UDAAP), a framework we use to meet all regulatory expectations related to UDAAP, guides our approach to ethical sales practices. We train employees annually to ensure that our team members have the awareness, skills and knowledge to perform activities in a manner that supports compliance with UDAAP standards and requirements.

## Fair Lending

SVB is committed to a policy and practice of fair lending. To that end, we take responsibility for treating clients fairly and consistently based on their financial standing in accordance with the Equal Credit Opportunity Act, the Fair Housing Act and other applicable state and local laws. Our compliance with these principles and consumer protections and policies is supported by our Compliance and Fair Lending Programs, which are regularly examined by the Federal Reserve Board, the Consumer Financial Protection Bureau and the California Department of Financial Protection and Innovation.

## Wealth Advisory Practices

SVB offers wealth advisory services to complement our banking offerings. Our Registered Investment Adviser (RIA) that delivers those services has a fiduciary responsibility to provide independent, unbiased advice that is in the best interests of our clients and helps them achieve their goals. The RIA is regulated and examined by the US Securities and Exchange Commission. The RIA:

- Sells advice, not products
- Has an open-source platform to give clients a wide range of investment options
- Focuses on client outcomes, not commissions



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As an RIA within SVB's Private Bank, our Wealth Advisory team provides holistic advice that goes beyond an investment portfolio and aims to consider all aspects of our clients' financial lives.

## Client Feedback

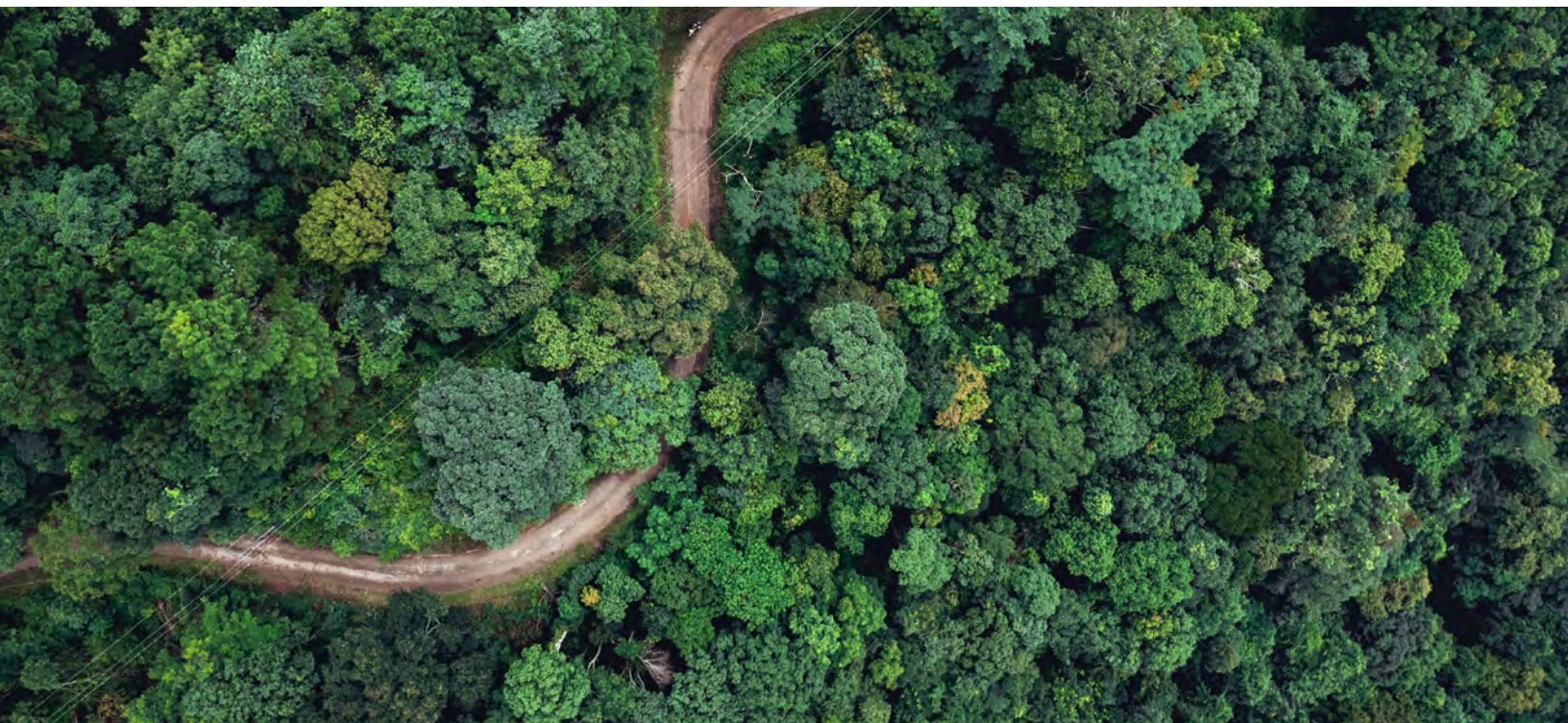
Hearing from our clients is critical to our success and is a practice in which we invest to ensure that we are able to help our clients thrive. Helping our clients increase their probability of success is our mission and our guiding principle in all that we do.

We have a sophisticated Voice of the Customer program that systematically monitors client sentiment and clients' perceptions of SVB; it provides input and feedback that helps us learn about and improve on the experience we offer our clients when they work with us.

The program comprises two main types of studies:

- The **relationship study** gives an opportunity to every client in our Commercial Bank and our Private Bank to both give us quantitative satisfaction scores and provide feedback on our strengths and opportunities for improvement. This data collection is performed throughout the year on a continuous basis. We use the feedback from this study to prioritize investments that improve the client experience, including the development of new products and services. Additionally, we have a "close the loop" practice, where our Relationship Managers reach out to clients who are dissatisfied with SVB, attempting to resolve any outstanding client issues.
- **Touch-point studies** monitor client feedback at specific points of interaction, for example when contacting our service center or transacting online. The feedback we collect from these studies is used to continuously improve the products and services we provide.

This program, together with ad hoc client research and a strong client-centric culture, ensure that SVB is continuously improving our clients' experience, which is one of our top strategic priorities across the enterprise.





# Appendix



# SASB Index

SVB Financial Group is committed to providing investors and other stakeholders with meaningful data on our environmental, social and governance (ESG) performance, underscoring our long-standing pledge of transparency and accountability. We aim to enable relevant comparisons of our ESG performance with peer companies. This is our second disclosure in accordance with the Sustainability Accounting Standards Board (SASB). We are using SASB's Commercial Bank Standards, Version 2018-10, which are most applicable to our core operations. Unless otherwise specified, the data and descriptions are current as of year-end 2020.

There are two key contextual issues to take into account when reviewing our SASB disclosure. First, our client base includes startups, some of which are considered small businesses under Small Business Administration guidelines. Small business lending is at the core of SVB's business strategy, but the definition of "small business" varies. For Financial Inclusion and Capacity Building metrics, we use the US Community Reinvestment Act

definition of small business, which covers businesses with less than \$1 million in gross annual revenues. Second, prior to our acquisition of Boston Private in 2021, SVB only provided private banking services to individuals associated with its business clients—we did not offer retail banking services to the general public. As a result, metrics related to retail banking activity and retail aspects of Financial Inclusion are not relevant for our strategy and disclosure.

Section	Disclosure	Response
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Consistent with SEC guidance, we disclose any material cybersecurity incidents and risks in our public filings. We currently do not have any material data breaches to report.
	Description of approach to identifying and addressing data security risks	Please see the " <a href="#">Cybersecurity</a> " section of our Proxy for more information.
Financial Inclusion & Capacity Building	1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	2020 Small Business <sup>1</sup> : 4,172 loans totaling \$336,000,000 2020 Community Development <sup>2</sup> : 12 loans totaling \$238,567,441 2020 Community Development Investments <sup>3</sup> : \$197,565,200



Section	Disclosure	Response
Continued...  <b>Financial Inclusion &amp; Capacity Building</b>	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	<p>SVB does not disclose the number and amount of past due and nonaccrual loans for small business lending or community development. We report early-stage clients figures which consists of pre-revenue, development-stage companies and companies that are in the early phases of commercialization, with revenues of up to \$5 million. Early-stage companies are typically engaged primarily in research and development activities and may have brought only a few products or services to market, if any. Due to their size, early-stage companies mostly closely resemble small business-related metrics for these purposes.</p> <p>To see our total nonaccrual loans, including “Early stage”, please see <a href="#">page 145</a> of our 2020 Form 10-K.</p>
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	<p>Not applicable: In 2020, SVB provided private banking services to individuals associated with our business clients. SVB did not offer retail banking services to the general public.</p> <p>However, we still partner closely with those in the communities in which we work and operate. SVB’s board of directors and management recognize that the economic health and quality of life of all residents in its Community Reinvestment Act assessment area contributes to SVB’s and its clients’ success. For more information on SVB’s community development strategy, please see our <a href="#">2021-2023 Community Reinvestment Act Strategic Plan</a> on the Federal Reserve’s website.</p>
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers <sup>4</sup>	<p>SVB’s financial literacy program, United and Counting, is designed to teach students financial literacy skills, including principles of saving, banking, credit card use, financing higher education and other relevant topics. United and Counting is an online course offered in schools that serve primarily low- and moderate-income students. Since 2014, United and Counting has reached 10,942 students in 113 schools in the San Francisco Bay Area, providing nearly 33,419 hours of online education.</p>
<b>Incorporation of Environmental, Social, and Governance Factors in Credit Analysis</b>	Commercial and industrial credit exposure, by industry	<p>Please view SVB’s latest Form 10-K for more information on our composition of loans at amortized cost basis broken out by risk-based segment. SVB’s 2020 year-end data can be found on <a href="#">page 138</a> of our Form 10-K.</p> <p>Please also refer to our <a href="#">TCFD report</a>.</p>
	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	<p>Please view the ESG webpage section, “<a href="#">Identifying Environmental, Social &amp; Governance (ESG) Opportunities &amp; Risks at Silicon Valley Bank</a>”. Please also refer to <a href="#">page 60</a> of our TCFD report.</p>
<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 regulation	<p>Based upon information available to us, our review of lawsuits and claims filed or pending against us to date and consultation with our outside legal counsel, we have not recognized a material liability for any such matters.</p> <p>For more information on SVB’s material legal proceedings, please view <a href="#">pages 184-185</a> of our 2020 Form 10-K.</p>
	Description of whistleblower policies and procedures	<p>For more information on our whistleblower policies and procedures, please view <a href="#">page 8</a> of our U.S. Code of Conduct.</p>

Section	Disclosure	Response
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	Globally Systemically Important Banks (G-SIBs) are generally defined as financial institutions that could cause a financial crisis should they fail. Due to our size, SVB does not qualify as determined by the Financial Stability Board in consultation with national regulators.  For more information, please view the Financial Stability Board's <a href="#">2020 list of globally systemically important banks</a> .
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Bank holding companies with less than \$100 billion (which applied to SVB in 2020) in average total consolidated assets are not subject to company-run or supervisory stress-testing requirements. However, we conduct capital stress tests as part of our annual capital planning process. The capital stress tests allow us to assess the impact of adverse changes in the economy and interest rates on our capital adequacy position. For more information on our approach to stress testing, please view pages 11-13, 88 and 92 of our <a href="#">2020 Form 10-K</a> .
Activity Metrics	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	SVB generally does not break out small business deposits by segment. We report early-stage clients figures which consists of pre-revenue, development-stage companies and companies that are in the early phases of commercialization, with revenues of up to \$5 million. Early-stage companies are typically engaged primarily in research and development activities and may have brought only a few products or services to market, if any. Due to their size, early-stage companies mostly closely resemble small business-related metrics for these purposes.  For more information on all of our deposits, including early-stage, please view the "Deposits" section on <a href="#">page 85</a> of our 2020 Form 10-K. Please see <a href="#">page 65</a> of our 2020 Form 10-K for SVB Private Bank total average deposits.
	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	a) Personal: Please see <a href="#">page 138</a> of 2020 Form 10-K for more information on Private Bank loans.  b) Small Business <sup>1</sup> : 4,172 loans totaling \$336,000,000  c) Corporate: Please see <a href="#">page 138</a> of our 2020 Form 10-K for more information on our corporate loans.

<sup>1</sup> We use the US Community Reinvestment Act definition of small business, which covers businesses with less than \$1 million in gross annual revenues. These loans have original amounts of \$1 million or less and typically are either secured by non-farm or non-residential real estate or are classified as commercial and industrial loans.

<sup>2</sup> Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

<sup>3</sup> Low-income housing tax credit funds that support affordable housing in the San Francisco Bay Area and California.

<sup>4</sup> United and Counting is provided by SVB's partnership with Everfi.

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# World Economic Forum Index

SVB Financial Group is committed to providing our stakeholders with meaningful data on our environmental, social and governance (ESG) performance, underscoring our long-standing pledge of transparency and accountability. We aim to enable relevant comparisons of our ESG performance with peer companies. This is our first disclosure in alignment with the Stakeholder Capitalism Metrics (SCM) published by the International Business Council of the World Economic Forum. Unless otherwise specified, the data and descriptions are current as of year-end 2020. While this is our first SCM disclosure, we have reported many metrics previously in public reports such as our Annual Corporate Responsibility report, quarterly investor presentations and annual 10-K filings.

For this report, there are some SCM metrics that we are not including. In some cases, the SCM metric would require a new disclosure, and we are working through our disclosure governance process to evaluate best practice

disclosure standards and new metrics for future release. In other cases, the metric is not relevant given the mission of our business, which we have noted with an explanation.

## Principles of Governance

Section	Disclosure	Response
<b>Governance Purpose</b>	<p><b>Setting purpose:</b> The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.</p>	<p>For nearly 40 years, Silicon Valley Bank has helped innovators, enterprises and their investors move bold ideas forward fast. The company mission is to increase the probability of our clients' success, which we do via our products and services, as well as the connections and insights we bring to our clients. Recently we have articulated the company purpose internally, around supporting innovators who positively impact the world, and will be talking about that more as it rolls out to all of our audiences. We are committed to strong governance consistent with the best interests of our stakeholders, ethical business principles and the letter and spirit of the law. For more information on SVB and its purpose, please see our <a href="#">About Us</a> webpage.</p>



Section	Disclosure	Response
<p>Continued...</p> <p><b>Quality of Governing Body</b></p>	<p><b>Governance body composition:</b> Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.</p>	<p>Please see the "<a href="#">Board Diversity Profile</a>" and "<a href="#">Biographies of Director Nominees</a>" sections of our 2021 Proxy Statement for more information on the composition of our highest governance body, our Board of Directors. There is additional information on Board diversity metrics on our <a href="#">Diversity, Equity &amp; Inclusion</a> webpage.</p> <p>With respect to the membership of SVB's Board of Directors, the primary areas of experience, qualifications and attributes we typically seek include but are not limited to the following areas related to ESG:</p> <ul style="list-style-type: none"> <li>• Experience in public company governance, including corporate governance best practices and policies and managing relations with key stakeholders</li> <li>• Knowledge of or experience with key risk oversight and risk management functions to help oversee the dynamic risks we face</li> </ul>
<p><b>Stakeholder Engagement</b></p>	<p><b>Material issues impacting stakeholders:</b> A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.</p>	<p>For more information on the ESG topics we prioritize, please see the "<a href="#">Our Commitment to ESG</a>" section of our ESG report.</p>
<p><b>Ethical Behavior</b></p>	<p><b>Anti-corruption:</b></p> <ol style="list-style-type: none"> <li>1) Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region.</li> <li>2) (a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and (b) Total number and nature of incidents of corruption confirmed during the current year, related to this year.</li> <li>3) Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</li> </ol>	<ol style="list-style-type: none"> <li>1) In 2020, 100% of SVB employees were assigned and completed our Anti-Bribery and Corruption (ABC) course.</li> <li>2) Based upon information available to us, our review of lawsuits and claims filed or pending against us to date and consultation with our outside legal counsel, we have not recognized a material liability for any such matters, nor do we currently expect that these matters will result in a material liability to the Company. For more information, please see the "<a href="#">Legal Matters</a>" section of our 2020 Form 10-K for more information on material legal and regulatory proceedings.</li> <li>3) For more information on our anti-corruption procedures, please see the "<a href="#">Anti-Money Laundering, Sanctions and Anti-Corruption Regulations</a>" section of our 2020 Form 10-K, our <a href="#">Code of Conduct</a>, and the "<a href="#">Regulatory Compliance</a>" section of our ESG report.</li> </ol>

Section	Disclosure	Response
Continued... <b>Ethical Behavior</b>	<p><b>Integrating risk and opportunity into business process:</b></p> <p>Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.</p>	<p>Please see the “<a href="#">Enterprise Risk Management</a>” section of our ESG report and “<a href="#">Climate risks and opportunities impacting SVB over the short-, medium- and long-term</a>” section of our TCFD report for more information on integrating risk and opportunities into our business processes.</p> <p>Additionally, please see the Risk Factors listed in our 2020 From 10-K starting on <a href="#">page 17</a>, our <a href="#">Identifying ESG Opportunities and Risks</a> document, and <a href="#">slide 17</a> of our Q4 2020 Financial highlights deck.</p>

## Planet

Section	Disclosure	Response
<b>Climate Change</b>	<p><b>Greenhouse gas (GHG) emissions</b></p> <p>For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.</p>	<p>Our 2020 GHG emissions was conducted according to the guidelines of the Greenhouse Gas Protocol and reported to CDP. It is publicly available on our <a href="#">ESG Reporting</a> webpage.</p>
<b>Climate Change</b>	<p><b>TCFD implementation</b></p> <p>Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above preindustrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050</p>	<p>We are guided by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) as we enhance our management of climate risks and opportunities, and we disclosed in line with the TCFD's recommendations in 2021. To see the report, <a href="#">click here</a>.</p> <p>SVB is exploring operational emissions reduction initiatives such as procuring Renewable Energy Credits (RECs). SVB's Scope 1 and 2 emissions are expected to decline with the implementation of emissions reduction initiatives in our offices and data centers. SVB's Scope 3 emissions are expected to grow over the near term due to business growth and the resuming of regular business travel and employee commuting, even with the implementation of emissions reduction initiatives in these areas.</p>
<b>Nature Loss</b>	<p><b>Land use and ecological sensitivity</b></p> <p>Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).</p>	<p>We currently do not track our adjacency to key biodiversity areas. Our locations are in major metropolitan and suburban areas. For more information on SVB's locations, please see <a href="#">SVB.com/locations</a>.</p>

Section	Disclosure	Response
Continued...  Freshwater Availability	<p><b>Water consumption and withdrawal in water-stressed areas</b></p> <p>Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</p>	<p>We currently do not track our water usage. The nature of our operations does not rely on water consumption; however, we do adhere to all applicable water policies and regulations.</p>

## People

Section	Disclosure	Response
Dignity and Equality	<p><b>Diversity and inclusion (%)</b></p> <p>Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).</p>	<p>An inclusive workplace expands opportunities for everyone. SVB benefits from a diverse workforce and we aim to continue to increase diverse representation at all levels of the company. To see a full breakdown of our workforce demographics, please visit our <a href="#">Diversity, Equity &amp; Inclusion</a> webpage.</p>
Dignity and Equality	<p><b>Pay equality (%)</b></p> <p>Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.</p>	<p>Since 2018, SVB has engaged an external expert to complete an annual fair-pay analysis to ensure that all employees are paid fairly and there are no discrepancies across gender and race. In the handful of instances where we could not explain minor differences in compensation, we adjusted salaries as part of the review process. We publicly disclose our SVB UK Gender Pay Report on our DEI webpage. It is important to realize that these figures capture the whole workforce and do not compare men and women performing the same roles. For more information, please click <a href="#">here</a>.</p>
	<p><b>Wage level (%)</b></p> <p>a) Ratios of standard entry level wage by gender compared to local minimum wage.</p> <p>b) Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.</p>	<p>a) We are working through our reporting governance process to evaluate best practice disclosure standards as this metric would require a new disclosure.</p> <p>b) In 2020, the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees was 55.5 to 1. For more information, please see the “<a href="#">CEO Pay Ratio</a>” section of our 2021 Proxy.</p>
	<p><b>Risk for incidents of child, forced or compulsory labour</b></p> <p>An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.</p>	<p>To us, doing the right thing goes beyond following laws, regulations and checklists. It's about the integrity, respect and well-being of ourselves and others which extends throughout our operations, including our supply chain. We set forth the principles we expect our vendors to follow in our <a href="#">Vendor Code of Conduct</a>, which includes our expectations for vendors related to labor and human rights.</p> <p>Please refer to our <a href="#">Anti-slavery and Human Trafficking Transparency Statement</a> for more information on our approach to human rights in the United Kingdom.</p>



Section	Disclosure	Response
Continued... <b>Health and Well-Being</b>	<b>Health and safety (%)</b> The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	We are committed to providing a safe and healthy workplace for all employees of SVB. Protection of employees from workplace injury or occupational disease is a continuing company objective and SVB makes every effort to provide a safe and healthy work environment. However, we do not publicly disclose our health and safety data as we do not consider this topic to be material to our industry.  For more information on workers' access to non-occupational medical and healthcare services, please see <a href="#">page 20</a> of our ESG Report and our <a href="#">Life at SVB</a> webpage.
<b>Skills for the Future</b>	<b>Training provided (#, \$)</b> Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	We are working through our reporting governance process to evaluate best practice disclosure standards as this metric would require a new disclosure.  However, SVB provides numerous resources to our employees to receive training across a broad range of topics. While we require employees to receive training on topics related to regulatory compliance, we also offer optional, on-demand, live, and online training to our employees so they can develop their professional and personal skills. As an example, we incorporate DEI content into our overall learning experiences for employees. DEI courses range from raising awareness of unconscious bias to building inclusive leadership.  We also offer our employees a number of professional development opportunities including: an education reimbursement program, Leadership and Associate Development Programs, membership in professional development organizations, and ongoing coaching as part of the performance review process.

## Prosperity

Section	Disclosure	Response
<b>Employment and Wealth Generation</b>	<b>Absolute number and rate of employment</b> 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.  2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	1. In 2020, our full-time equivalent employees grew by just over 25% to 4,461 full-time equivalent employees. To learn more about our workforce demographics, please visit our <a href="#">Diversity, Equity &amp; Inclusion</a> webpage.  2. We are working through our reporting governance process to evaluate best practice disclosure standards as this metric would require a new disclosure.

Section	Disclosure	Response
<p>Continued...</p> <p><b>Employment and Wealth Generation</b></p>	<p><b>Economic contribution</b></p> <ol style="list-style-type: none"> <li>Direct economic value generated and distributed (EVG&amp;D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: <ol style="list-style-type: none"> <li>Revenues</li> <li>Operating costs</li> <li>Employee wages and benefits</li> <li>Payments to providers of capital</li> <li>Payments to government</li> <li>Community investment</li> </ol> </li> <li>Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.</li> </ol>	<ol style="list-style-type: none"> <li> <ol style="list-style-type: none"> <li>\$4,010 million in total revenue</li> <li>\$2,035 million in noninterest expense</li> <li>\$1,318 million in total compensation and benefits</li> <li>We do not currently pay cash dividends on our common stock. We have not paid any cash dividends since 1992. In 2020, we did pay \$17 million in preferred stock dividends and \$25 million interest expense on borrowings.</li> <li>In 2020, cash paid during the period for income taxes totaled \$299 million.</li> <li>In 2020, we donated more than \$12.5 million to not-for-profit causes. Of that, we donated \$5.5 million to support local, regional and global COVID-19 relief activities focused on three areas: health, food security and shelter, and small business relief. During the fourth quarter of 2020, we also donated \$20 million of fees (net of cost incurred) received from the Paycheck Protection Program to our SVB Foundation to distribute to charitable causes over the next two years. You can find additional information on community and small business investment in our SASB response.</li> </ol> </li> <li>Please see <a href="#">page 137</a> of our 2020 Form 10-K for more information on tax credits and other tax benefits recognized.</li> </ol>
<p><b>Employment and Wealth Generation</b></p>	<p><b>Financial investment contribution</b></p> <ol style="list-style-type: none"> <li>Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.</li> <li>Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.</li> </ol>	<ol style="list-style-type: none"> <li>SVB does not report "Total capital expenditures." However, we do break down our Noninterest expense, including "Premises and equipment" which totaled \$127 million, on <a href="#">page 59</a> of our 2020 Form 10-K.</li> <li>We do not pay a dividend on our common stock. We only pay dividends on our preferred stock which totaled \$17 million. More information can be found on <a href="#">page 39</a> of our 2020 Form 10-K.</li> </ol> <p>On October 24, 2019, SVB authorized a share buyback program that enabled us to repurchase up to \$350 million of our outstanding common stock. For the three months ended March 31, 2020, we repurchased 244,223 shares of our outstanding common stock for \$60 million under the repurchase program. We subsequently did not repurchase additional shares, and the program expired on October 29, 2020.</p>
<p><b>Innovation of Better Products and Services</b></p>	<p><b>Total R&amp;D expenses (\$)</b></p> <p>Total costs related to research and development.</p>	<p>We continue to invest in our strategic priorities, which are included in part of our total noninterest expense, to drive future growth and scalability. We prioritize enhancing our client experience, improving employee enablement, driving revenue growth, and enhancing risk management. These categories, which we describe in more detail on <a href="#">slide 11</a> of our Q4 2020 Financial Highlights presentation, broadly define how SVB thinks of research and development. This includes taking advantage of opportunities to develop new or strengthen existing products and services. These opportunities span across our business units and strategic priorities. As an example, climate-related opportunities have influenced our strategy for over a dozen years. SVB has identified opportunities in response to climate over the short-, medium- and long-terms. In 2020, in light of the growth in climate-related opportunities, SVB evaluated new opportunities to expand its products and services in this sector.</p> <p>Additionally, our dedicated Innovation team develops new products and services for our clients.</p>

Section	Disclosure	Response
<p>Continued...</p> <p><b>Community and Social Vitality</b></p>	<p><b>Total tax paid</b></p> <p>The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.</p>	<p>In 2020, our income tax expense totaled \$448 million. Please see the "Income Taxes" section of our 2020 Form 10-K, on <a href="#">pages 164-166</a>.</p>

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