

# Environmental, Social, and Governance Report 2019



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Our Environmental, Social, and Governance (ESG) Report highlights Camden National Corporation's commitment to being a good corporate citizen, and our leadership on sustainability, diversity, and ethical governance.

## Strong Corporate Culture

Since our founding, we have been a values-guided, community-oriented bank that is dedicated to our customers, employees, communities, and shareholders.

We are a trusted corporate partner who cares for our neighbors and employees, and we strive to follow responsible business practices under transparent, ethical governance. Our commitment to enhancing ESG practices reinforces our focus on building a strong corporate culture across our company.

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### Several characteristics define our culture and approach:

- **We are a values-based, socially-responsible organization**
- **We are committed to our Vision to “Deliver your best banking experience”**
- **We demonstrate dedication to our four core constituents: customers, employees, communities, and shareholders**

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For over 25 years, we have called our employees “Stakeholders” to reflect the shared commitment and passion they have for our values, customers, communities, and ongoing success.

Everything we do, both in the office and in the community, is guided and inspired by our **Core Values**:

- **Honesty and integrity** - above all else
- **Trust** - built on fairness
- **Service** - second to none
- **Responsibility** - to use our resources for the greater good
- **Excellence** - through hard work and lifelong learning

Our culture and values are strengths that support our strategic goal to generate consistent, sustainable long-term value for all of our constituents.

## Exceptional Customer Experience

Our commitment to excellence in customer service is fundamental to achieving our strategic plan. Our vision unites us around providing the best banking experience, no matter how customers choose to bank with us—in person, online, or by phone. Customers have multiple options for receiving assistance, including 24/7 customer service by telephone, secure email or live chat online.

When a customer or employee believes we can deliver an even better banking experience, we want to hear about it. That's why we created CamdenCircle, our customer experience program that collects opinions, comments, and feedback, which we use to shape our personal approach to doing business. CamdenCircle inspires us to be better every day and to develop innovative strategies and technologies for easier banking.



We have made significant efforts to protect the environment while reducing expenses. Several of our environment-focused efforts in 2019 include:

### Corporate technology

In 2019, we recorded nearly 6,500 meetings using our upgraded cloud-based conferencing software, with 77% of those meetings using video technology and reducing interoffice travel. By leveraging technology, we work to ensure that employees have access to convenient tools and functionalities for a resource-efficient workplace.

### Paper usage

Approximately 50% of our deposit accounts receive eStatements, which translates to about 3.6 million pages of paper saved each year. In addition, in 2019, we invested in a document imaging platform, which has improved our scanning efficiency and resulted in more than 137 million pages processed digitally. Our secure, easy-to-use online application platforms, MortgageTouch™ and BusinessTouch™, allow customers and employees to upload documents electronically, thereby reducing the use of paper. In 2019, we closed \$3 million in total loans for 86 businesses with BusinessTouch™, and 25% of all residential loan applications funded for customers were submitted through MortgageTouch™. We also encourage the use of electronic statements (eStatements) by charging a fee to receive paper statements, and we offer electronic signature (eSignature) platforms to customers.

### Energy consumption

25% of our lighting uses energy-efficient LED light bulbs as we continue looking for ways to decrease energy consumption. In addition, our information technology team has moved us to a more efficient storage and computing solution, resulting in a 52% reduction in the cost of operations for power, cooling, and maintenance.

### Recycling

In 2019, we recycled more than 18,700 pounds of technology equipment, metal, cardboard, fluorescent lamps, and batteries.

### Digital banking usage

In 2019, total digital banking logins grew 41% compared with 2018. Services within digital banking also grew in popularity, with an 18% increase in the number of customers using mobile deposit, and person-to-person payments increasing an impressive 93%.

### ESG investment capabilities

Camden National Wealth Management works closely with clients to customize investment portfolios and meet any ESG-related requirements on a portfolio-by-portfolio basis, such as avoiding fossil fuels and investing in alternative energy. While not constrained by an ESG mandate as an organization, Camden National Wealth Management tends to adhere closely to ESG best practices for individual stock and bond investments.

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**We continue to encourage customers to use our sophisticated digital platforms in order to reduce paper usage as well as fossil fuel emissions by eliminating travel for routine banking needs.**

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**3.6 million**

pages of paper saved each year by offering eStatements

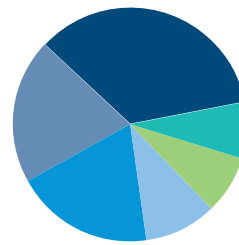
We are committed to strengthening the well-being of our communities we call home. We devote time and resources to programs and organizations that help our employees, customers, and communities thrive so that they can reach their financial goals

### Community Reinvestment Act (CRA)

Since 2005, we have received an “outstanding” rating, the highest possible, on our CRA performance evaluations. This rating was given by our primary regulator, the Office of the Comptroller of the Currency, which charters, regulates, and supervises all national banks and federal savings associations. The “outstanding” CRA rating is a result of our employees’ dedication to our vision and values, and it sets us apart in the marketplace. Our rating is symbolic of the way we operate our business, deliver for our customers, and support the communities where we live and work. We believe that helping to meet these needs—particularly for low- and moderate-income individuals, as well as consumers and businesses in low- and moderate income areas—is essential to the continued growth and vitality of our communities and our company.

### Generous nonprofit giving

Our community investment includes philanthropic donations, contributions made in the spirit of CRA, and sponsorships that strengthen the well-being of our cities and towns. In 2019, we donated to a broad cross-section of registered nonprofits across our footprint. Key areas of focus included support for organizations in the health and wellness space, as well as those dedicated to youth and education. A significant portion of our charitable efforts also went to our unique Hope@Home program.



### 2019 Donations

- 35%** Health & Wellness
- 20%** Youth & Education
- 19%** Hope@Home
- 10%** Community
- 8%** Arts
- 8%** Economic Development & Charities

### Hope@Home

Through our unique Hope@Home program, we support homeless shelters and we’re at the forefront of providing vital assistance in our communities. Each time a customer finances a new home with us, we donate \$100 to the nearest homeless shelter. Since 2015, we have donated more than \$480,000 to homeless shelters in Maine, Massachusetts, and New Hampshire. Hope@Home contributions are non-restricted funds, so each shelter has the flexibility to serve its clients as needed in each particular community.

### Leaders & Luminaries Awards

Each year, we recognize top nonprofit board directors who dedicate themselves to best practices in nonprofit board governance and giving back. On behalf of awardees, we make special grants from The Bank of Maine Foundation to the organizations they serve. Since 2011, we have celebrated 43 board directors as Leaders & Luminaries Awardees and have donated \$151,000 to their respective nonprofits.

### Health and wellness

In 2019, we announced a \$500,000 commitment for community health and wellness. This support comprises a \$250,000 pledge to Maine Medical Center’s master facilities modernization project and a \$250,000 pledge to Pen Bay Medical Center’s construction of a new 41,513 square-foot health center in Rockport, Maine.

**Junior Achievement (JA)**

We have a long history of supporting JA and its efforts to deliver K-12 programs that foster work readiness, financial literacy skills, and entrepreneurship. In 2019, our employee volunteers worked with 663 students in 32 Maine classrooms. Over the years, our employees have taught thousands of JA students in our markets.

**Big Brothers Big Sisters**

We have partnered with Big Brothers Big Sisters for over nine years, and in 2019 we donated a total of \$17,000 to Maine chapters. In addition, 124 of our employees participated in the 2019 Bowl for Kids' Sake event and raised more than \$18,000.

**Olympia Snowe Women's Leadership Institute (OSWLI)**

In 2019, we announced a \$15,000 multi-year pledge to OSWLI to support programming for Maine high school girls. Seven of our employees currently serve as "Olympia's Leaders Advisors" at OSWLI, where they work with 70 high school girls across Maine throughout the three-year program.

**Volunteerism**

In 2019, our employees logged more than 14,000 volunteer hours and shared their energy and expertise with a wide array of programs and organizations. Many of these volunteers bring important skill sets to nonprofit boards and help advance nonprofit organizations while also fulfilling our CRA commitment.

**Meeting the Needs of Our Diverse Customers and Communities**

To address the needs of a diverse customer base and promote access to mainstream banking, we offer a comprehensive suite of banking products and services for consumers, small businesses, and commercial customers.



These include basic banking products with no or low monthly maintenance fees so we can serve individuals who are just entering the banking system and customers who are looking to re-establish a banking relationship after experiencing banking challenges in the past.

All of our products and services are readily accessible and delivered throughout our footprint via 61 banking centers<sup>1</sup>, 71 ATMs, our Customer Care Center and business banker teams, and robust digital banking tools. Our Customer Care Center is available 24 hours a day, seven days a week, to assist with customers' questions and concerns by phone, secure online chat, and email. In addition, we continue investing in our digital banking platforms and services, so that customers are able to bank anywhere, at any time, whether they live five miles from a banking center or across the country.

Our marketing philosophy and policy require us to provide product and service information that is clear, comprehensive, and accurate. All marketing materials are reviewed by our compliance team to be sure we meet legal and regulatory requirements.

<sup>1</sup>As announced in January 2020, our Corinth, Hampden and Milo banking centers will close in April 2020.

## 'Total Rewards' Employee Compensation Philosophy

Our compensation program aims to attract, retain, and reward high-performing talent at all levels through a pay-for-performance philosophy.

Our pay practices have strong governance processes, including a review of competitive market data from several proprietary surveys each year, many specifically related to the banking industry. Annual merit increases are assessed to ensure that decisions are made without bias against any group.

We are committed to our employees' health and well-being through competitive medical, dental, and vision programs, some of which are offered to employees at no cost. We contribute more than \$1 million annually to employee-owned health savings accounts and have a wellness reimbursement program that encourages our employees to stay fit physically and mentally. We also offer an Employee Emergency Fund, which can provide assistance to help an employee with paying for essential expenses, such as filling a heating oil tank or paying an electric bill.

### Employee education and development

- We offer a robust tuition reimbursement benefit to help reduce the financial stress of ongoing education and encourage our employees to build new knowledge and skills.
- We encourage our employees to pursue certificates and offer professional designation reimbursements to help them be knowledge leaders in their area of the Company.
- Through the American Bankers Association (ABA) and the Center for Financial Training (CFT), we provide employees with access to a catalog of classes that are taught locally and online to help increase banking knowledge.

banking knowledge.

- In 2019, more than 30,000 hours were spent on employee education through external training, CFT courses, operations and technology education, leadership and coaching sessions, Building Trusted Relationships sales training, and Camden Connect employee meetings.
- We require our employees to learn how to ensure customer privacy, prevent fraud, and stay up-to-date on federal and state banking regulations that impact their work, as well as regulations impacting employment law, such as sexual harassment laws and the Americans with Disabilities Act. We actively track our compliance training through the ABA Learning Management System. In 2019, 100% of our employees completed Bank Secrecy Act/Anti-Money Laundering and Office of Foreign Assets Control training, as well as dozens of other courses totaling nearly 16,000 hours of compliance training. We require a passing score of 80% or higher on all compliance courses to be sure our employees have read and understood the material.

## Commitment to Workplace Culture and Employee Engagement

We are passionate about making a difference in people's lives. Whether we are helping customers buy their first home or build their business, our caring employees strive to go above and beyond to serve our customers, communities, and each other.

### Safety and respect in the workplace

Through company-wide education, strong human resources policies, and communications efforts, we work to ensure that our workplace is safe for all and supports a culture where people feel they can report incidents that threaten that safety.

In our Stakeholder Handbook, which all employees review and acknowledge annually, we outline our Harassment and Retaliation Policy. In addition, we have a confidential whistleblower program that forwards complaints to the audit committee and the Board of Directors, and we work to take necessary action as quickly as possible after a complaint is received. We also provide an Employee Assistance Program with confidential support for victims of harassment or for employees who need counseling through any kind of issue.

To ensure workplace safety and preparedness, all employees take an annual active shooter awareness training. Our banking center staff is further trained on best practices in procedures for opening and closing, robberies, hostage situations, bomb threats, alarm responses, and evacuations.

### **Embracing diversity of all kinds**

Outlined in our Stakeholder Handbook under Equal Employment Opportunities, we prohibit discrimination on the grounds of race, color, religion, sex, sexual orientation (including gender identity and gender expression), national origin, citizenship status, age, disability, genetic information, or veteran status. We employ based on talent and potential for growth, and we value a diversity of backgrounds and ideas.

In 2019, 40% of our Board members and 75% of the executive management team were female. Our goal is to enhance our efforts to promote an inclusive culture, foster cultural awareness to unleash the full potential of our workforce, and fully leverage diversity as a key differentiator between us and our competitors.

### **Creating open lines of communication**

In order to educate and empower our employees, we maintain open lines of communication between all levels of employees and senior leadership. Employees receive regular company-wide emails from our president and chief executive officer, and we host quarterly all-employee conference calls to discuss financial performance and achievements. Through our ongoing Camden Connect program, employees also have the opportunity to meet with members of the executive team in small groups, to discuss our vision and strategy, and offer their input, feedback, and ideas.

### **Creating an energized, engaged culture**

We dedicate time and resources to continue building a culture that will attract and retain top talent. In connection with our last employee engagement survey, we made a significant investment by partnering with Gallup, a global analytics firm. We believe our hard work is making a difference, as the survey demonstrated that more of our employees are feeling engaged in what they do at work and with their co-workers. In 2019, 89% of our employees participated in the voluntary survey, and we saw an overall 6% increase in our employee engagement index, based on aggregate responses to 16 questions on the fundamental elements of engagement in the workplace. We aim to continue creating a culture of actively engaged employees and believe that, as a result of our investments in this area, our employees are able to enjoy personal and professional growth.

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**Through our commitment to fostering a fair, safe, and welcoming workplace environment for all, we aim to maintain a culture that enables our employees to be their best in serving our customers and communities, while achieving business success.**

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We recognize employees at our annual Stakeholder Appreciation Night. During this event, we celebrate achievements, discuss our vision, and network with one another. In 2019, we awarded 12 employees for being active community members, innovative thinkers, and strong team members. Two employees were named “Stakeholder of the Year”, our most prestigious award, which is given to recipients who emerge as natural leaders in all award categories and demonstrate an outstanding commitment to our vision, core values, and constituents.

### **Setting professional goals in order to develop and grow**

Each year, employees create a set of team and individual goals that we track throughout the year. These goals help measure our progress, accomplishments, and areas of improvement. Employees are also encouraged to create an Individual Development Plan to map out short- and long-term professional goals with tactics to achieve them. Managers and our human resources team support employees through this process.

### **Enhancing opportunities and leadership skills**

We strive to provide several opportunities—both at the bank and through external programs—for employees to grow, learn, and develop. In 2019, 24 high-potential employees participated in our Horizons leadership development programs, which bring future leaders together to hone their leadership skills, teach them to work well with others to achieve key outcomes, and help them better understand our business. In 2019, 226 employees also participated in our leadership conferences which bring bank officers together to network, develop key skills, and address important organizational topics.

Starting in 2018, we have invested in programs for our sales teams to develop leadership and coaching skills so

that they can lead their employees toward building trusted relationships with our customers. In 2019, we expanded this two-day program to be available to all managers, supervisors and key individuals in support functions to encourage the existence of a common leadership language across our company.

**14,000+**

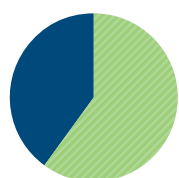
annual hours of volunteer work by our employees

Our board directors and executive management team are committed to setting the tone, expectations, and corporate culture from the top, and we believe in the importance of sound and effective corporate governance for responsible growth.

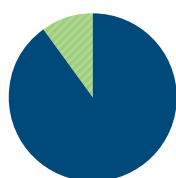
The Board provides oversight, support and guidance to all constituents and plays a vital role in our shared success. Board directors are our customers, advocates, and advisors, which makes us a stronger financial institution and community leader.

**Board composition, independence, and expertise**

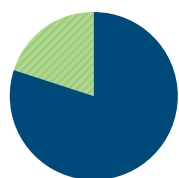
Our Board of Directors currently consists of ten members. Under our Articles of Incorporation, the Board is divided into three classes, two classes of four directors each and a class of two directors, with one class of directors standing for election each year. At the Annual Meeting, two directors will be elected to serve for a term of three years and until each such director's successor is duly elected and qualified.



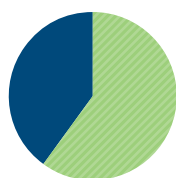
40% of directors are women



90% of directors are independent



80% of directors have tenure over five years



40% of directors have banking and financial services expertise

We seek to have a Board composed of diverse directors with a variety of experience in business and in areas relevant to the Company. Our directors possess the highest personal and professional ethics, integrity, and values, and they are committed to representing the long-term interests of the shareholders.

The role of chair of the Board is held by an independent, non-executive director, Lawrence J. Sterrs, who has served as chair since 2017. Additionally, 90% of our directors are independent, and all board committees are chaired by independent directors.

**Code of Ethics for Financial Officers**

All employees are bound by the provisions set forth in the Code of Business Conduct and Ethics relating to, among other topics, ethical conduct, conflicts of interest, and compliance with laws and regulations. The Board has also adopted a separate Code of Ethics for Financial Officers that supplements the Code of Conduct and applies to the Company's CEO, chief financial officer and controller, as well as all financial officers and internal audit officers. This Financial Code of Ethics Policy can be found on the Investor Relations section of our website at [www.camdenational.com](http://www.camdenational.com).

**Risk Management practices**

We are committed to creating a strong risk management culture, supported by a risk governance process as well as ongoing employee education and training. Our robust information security program and suite of Security Policies are focused on cybersecurity, encryption, and protection of customer data privacy and is overseen by the Board's technology committee. Through open communication and training, all employees are responsible for adhering to best practices in risk, information privacy, and cybersecurity.

In order to deliver a first-in-class experience for customers, we partner with third-party vendors

to provide products and services. We employ a comprehensive vendor management program that assesses vendor risks and holds vendors accountable to contracted services. The risk based program evaluates many facets including but not limited to the vendor's operational risk, financial risk, security policies, control environment, and overall stability to ensure alignment with the our internal practices. Every vendor is reassessed on a recurring basis.

To continue learning more about best practices in our industry, we are actively engaged with the Maine Bankers Association and the ABA. Many of our employees participate on committees, benefit from education and training, and influence public policy and government relations at the state and federal levels on these topics.

### **Engaging shareholders and customers**

We have a long-standing commitment to transparency in communicating our financial performance and strategic objectives to current and potential shareholders. Our primary methods of communicating with the investment community include quarterly earnings releases, earnings conference calls, and an annual report, all available to the general public; publicly available filings with the U.S. Securities and Exchange Commission; current reports on Form 8-K; and active participation in investor conferences hosted by brokerage firms and industry groups.

Our governance structure and processes promote corporate transparency, ethical business practices, and open lines of communication among the Board, senior leadership, and employees:

- Our business ethics officer provides the executive management team and the Board with the necessary information to act appropriately in instilling and

maintaining our ethics culture.

- Our Stakeholder Handbook and our Code of Business Ethics provide examples of various scenarios to help clarify privacy situations, conflicts of interest and more. Employees review and electronically acknowledge these documents annually to demonstrate that they have read and understood the material.
- Our employees are encouraged to report to their manager or call our confidential, safe, and secure Business Ethics Hotline at 207-236-9064 to anonymously report fraud, abuse, or other information that they want to remain confidential. In our Stakeholder Handbook under Internal Reporting and Anti-Retaliation, we outline our policies prohibiting retaliation against employees who report misconduct.
- The chief experience & marketing officer leads our ESG efforts.

Our corporate documents are publicly available on our investor relations website at:  
[www.camdenationalcorporation.com](http://www.camdenationalcorporation.com)

**40%**

of our board directors  
are women



Thanks to our dedication, teamwork, and commitment to core values, we continue to make meaningful progress toward achieving our vision.

We have received several awards and recognitions for our efforts and focus on responsible lending, sustainability, diversity, ethical governance, and financial performance:

**District Director Award  
U.S. Small Business Administration (“SBA”)**

We were recognized as a lender that made significant efforts to provide small businesses with access to capital and increase the use of SBA loans in our portfolio.

**“Lender at Work for Maine”  
Finance Authority of Maine (“FAME”)**

The 2019 award was our 10th, and our ninth year in a row receiving this annual FAME award, which is reserved for lenders with assets of \$1.5 billion or more.

**Customer Experience Leader in U.S. Retail Banking  
Greenwich Associates**

For the second year in a row, we were recognized for exceeding industry benchmarks for customer experience by a specified margin in three categories: overall satisfaction, likelihood to recommend, and likelihood to continue using/switch providers.

**Sm-All Stars Class of 2019  
Sandler O’Neil**

We were one of 30 publicly traded, top-performing banks and thrifts—and the only bank headquartered in New England—to be recognized with this award in 2019. To earn Sm-All Star status, companies were required to have a market capitalization below \$2.5 billion and were selected based on various financial screening criteria, including growth, profitability, credit quality and capital strength. There were 394 qualifying financial institutions nationwide.

**2020 Women on Boards**

We were recognized by this national campaign, which was launched to increase the percentage of women on U.S. company boards to 20% or more by 2020.



## Board of Directors

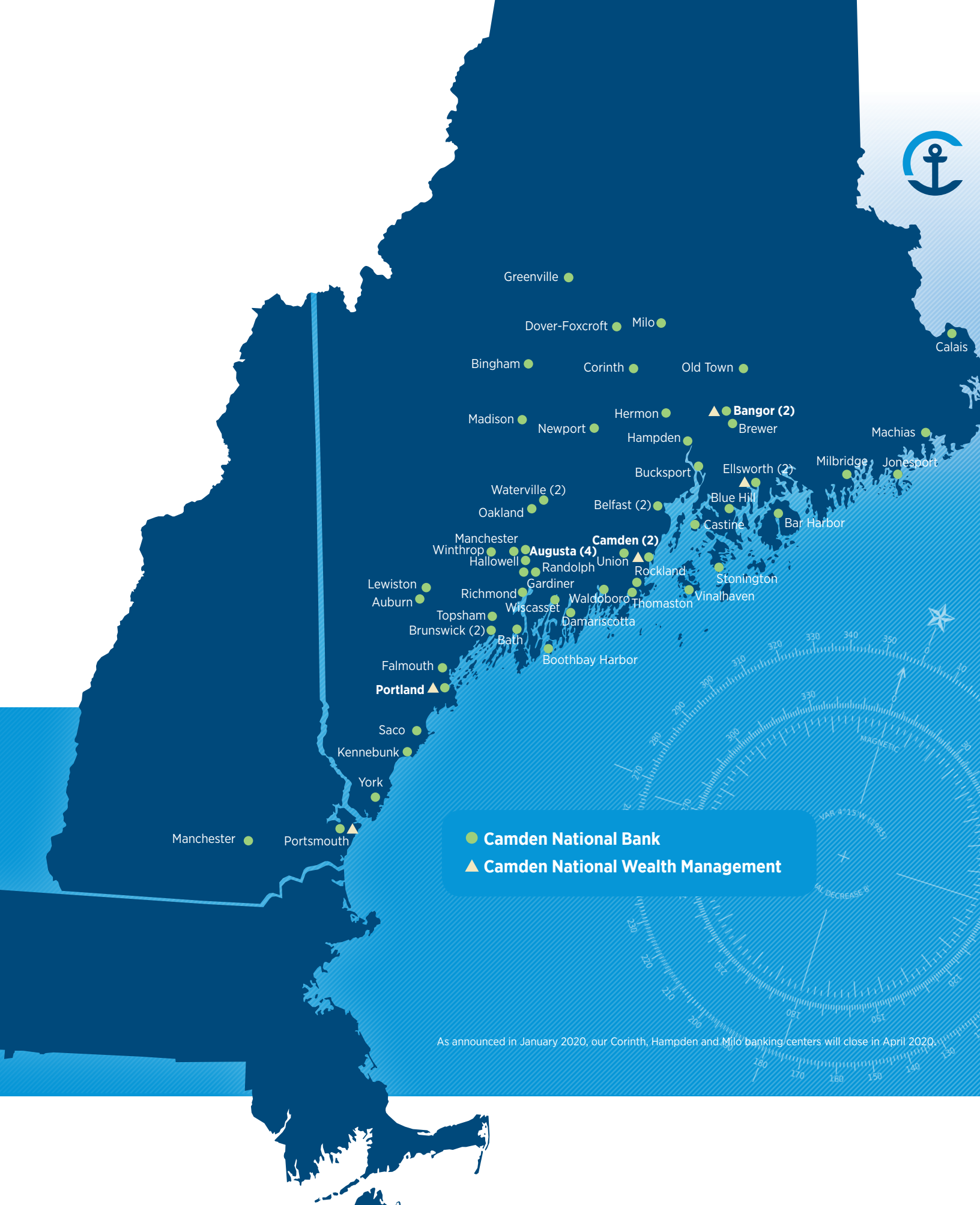
- + **Lawrence J. Sterrs, Chair**  
Board Chair, UniTek/UniTel & Chair CEO, Unity Foundation
  - + **Ann W. Bresnahan**  
Civic Leader
  - **Craig N. Denekas**  
Trustee, Chairman and CEO, Libra Foundation
  - + **Gregory A. Dufour**  
President & CEO, Camden National Corporation and Camden National Bank
  - + **David C. Flanagan**  
President, Viking Lumber, Inc.
  - **S. Catherine Longley**  
EVP and COO, The Jackson Laboratory
  - + **James L. Markos Jr., Esq.**  
General Manager, Maine Shellfish Company
  - + **Marie J. McCarthy**  
Chief Operations & People Officer, L.L.Bean
  - + **Robert D. Merrill**  
President, Merrill Furniture
  - **James H. Page, Ph.D.**  
Retired Chancellor, University of Maine System
  - + **Robin A. Sawyer, CPA**  
Retired Vice President of Corporate Finance and Corporate Controller, Wex Inc.
  - + **Carl J. Soderberg**  
President, Soderberg Company, Inc.
- Camden National Corporation   
 + Camden National Bank

## Executive Management

- **Gregory A. Dufour**  
President & CEO, Camden National Corporation and Camden National Bank
- **Joanne T. Campbell**  
Executive Vice President  
Risk Management
- **Deborah A. Jordan, CPA**  
Executive Vice President  
Chief Operating & Chief Financial Officer
- **Jennifer L. Mirabile, CFP®, CWS®**  
Executive Vice President  
Managing Director  
Camden National Wealth Management
- **Timothy P. Nightingale**  
Executive Vice President  
Senior Lending Officer
- **Heather D. Robinson**  
Senior Vice President  
Chief Human Resources Officer
- **Patricia A. Rose**  
Executive Vice President  
Retail & Mortgage Banking
- **Renée D. Smyth**  
Executive Vice President  
Chief Experience & Marketing Officer

### **About Camden National Corporation**

Camden National Corporation (NASDAQ:CAC) is the largest publicly traded bank holding company in Northern New England with \$4.4 billion in assets and nearly 650 employees. Camden National Bank, its subsidiary, is a full-service community bank founded in 1875 in Camden, Maine. Dedicated to customers at every stage of their financial journey, the bank offers the latest in digital banking, complemented by personalized service with 61 banking centers, 24/7 live phone support, 71 ATMs, and lending offices in New Hampshire and Massachusetts. Comprehensive wealth management, investment and financial planning services are delivered by Camden National Wealth Management. To learn more, visit [CamdenNational.com](http://CamdenNational.com). Member FDIC. Equal Housing Lender.



As announced in January 2020, our Corinth, Hampden and Milo banking centers will close in April 2020.