

Content

Content.....	1
Introduction and Background	2
Uses of Proceeds	3
Management of Proceeds.....	6
Reporting	7
External Review	8
Disclaimer.....	9
APPENDIX: Sustainable Finance Addendum	11

Introduction and Background

Forbright Bank, recently rebranded from Congressional Bank, is a full-service bank, commercial lender and asset manager, committed to driving decarbonization and accelerating the transition to a more sustainable economy. Forbright recognizes that the need to build a more resilient, sustainable, and low-carbon economy is growing increasingly urgent, which is why we are dedicating half of our assets to financing the companies, investors, operators, and innovators driving this change.

Forbright's approach empowers customers, partners, and stakeholders to seize the tremendous investment opportunities presented by decarbonizing the economy and contributing to a more sustainable future. By allocating capital and providing financing for critical investments in the energy, transportation, manufacturing, building and healthcare sectors, Forbright is doing its part in the worldwide effort to build a more green and equitable economy. Forbright believes this approach reduces credit risk, presents enhanced lending opportunities, and prioritizes the markets of the future, serving the interests of customers, partners, investors, and society.

As a values-driven organization, we hold ourselves accountable to responsible business practices and a sustainability mindset throughout our entire business. Forbright has implemented Responsible Investment and Environmental, Social and Governance ("ESG") policies to embed its commitment to these principles and practices across its offerings and operations. During 2021, Forbright was the seventh U.S. bank to become a signatory to the U.N. Principles of Responsible Banking. Forbright has also pledged to achieve net zero greenhouse gases in its operational footprint and is providing incentives to its team members to embrace sustainable practices in their daily lives.



While our team of over 240 lending and associated professionals focuses on all sectors that meet our Environmental, Social and Governance ("ESG") standards, we have deep industry expertise in the following areas:

- Companies pursuing clean energy, low-carbon, and sustainability strategies
- Healthcare services, including senior housing, home healthcare, behavioral healthcare, and outpatient care
- Renewable energy, including residential, community, and corporate solar and efficiency, wind and hydro, energy storage and efficiency, and clean energy infrastructure
- Financial services, including commercial and consumer lenders and asset owners, financial technology and transaction services companies, and real estate investors
- Technology, enterprise software, and communications companies
- Business and government services
- Building products and advanced manufacturing

Forbright's Green Bond issuance is a strong strategic fit with our bank-wide sustainability mission. This issuance supports Forbright's efforts to accelerate the transition to a lower carbon intensive and more inclusive economy through financing the industries and activities most directly contributing to these goals. This issuance is an important step forward as we work towards our commitment to dedicate half of our assets to a more sustainable future. Forbright's Green Financing Framework will guide its initial Green Bond issuance as well as future issuances of bonds, notes or preferred stock.

Uses of Proceeds

Net proceeds from Forbright's Green Bond issuance will be used to finance Eligible Projects, defined as projects that adhere to Forbright's Green Financing Eligibility Criteria presented in the chart below. Eligible Projects are investments and expenditures made by Forbright or any of its subsidiaries and/or affiliates beginning with the issuance date of any Green Bond or in the 12 months prior to any such issuance. Forbright intends to allocate an amount equal to the Green Bond net proceeds towards these projects within 12 months of issuance.

Green Bond Principle ¹ - Eligible Project Category	Eligibility Criteria and Example Projects	UN SDG ² Alignment
Renewable Energy	Project(s) seek to reduce GHG emissions and reduce consumption of fossil fuels by increasing renewable energy production and consumption through the financing of residential and commercial solar PV and associated infrastructure.	SDG 7 
Energy Efficiency	<p>Project(s) seek to reduce GHG emissions and reduce consumption of fossil fuels through the installation of non-fossil fuel based motorized and non-motorized energy-efficient building components such as:</p> <ul style="list-style-type: none"> • High-efficiency heating, ventilation, and air conditioning (HVAC) upgrades • Chiller and Cooling Tower upgrades • High-efficiency lighting and daylighting • New automated building and HVAC controls • High efficiency boilers and furnaces • New variable speed drives on motors, fans and pumps • High-efficiency water heating systems including solar thermal • Whole building energy management systems • White or green roofs 	SDG 7 

¹ Eligible Project Categories are aligned with the International Capital Market Association's (ICMA) Green Bond Principles (GBP), 2021

² [UN Sustainable Development Goals](#)

	<ul style="list-style-type: none"> • Building envelope improvements • Insulation • Indoor and outdoor water efficiency products 	
--	--	--

Further, Forbright will not knowingly allocate proceeds from any issuances of a Green Bond to the following industries and activities prohibited by Forbright's Responsible Investment policy:

- Gaming/gambling
- Tobacco production
- Coal generated power & mining (including thermal coal)
- Oil & gas extraction
- Pornography or other adult entertainment
- For-profit prisons (excluding third-party healthcare services provided to prison population)
- Predatory or deceptive lending

Forbright reserves the right to update its Eligible Projects criteria for future Green Bond issuances so long as the criteria align with the Green Bond Principles.

Process for Project Evaluation and Selection

Forbright's ESG Lending Working Group ("Working Group") will govern the process for project evaluation and selection. The Working Group is comprised of representation from each of the bank's lending verticals as well as representation from the ESG and Sustainable Finance groups.

The Working Group oversees the bank's ESG assessment process for all loan opportunities across each of its lending verticals. In accordance with our Responsible Investment policy, all loan opportunities are first screened against our negative screen / exclusion list and then evaluated for ESG risks and opportunities using our ESG Due Diligence Toolkit, third-party analysis and any other information, as available. The ESG assessment is included in the loan's

summary diligence memorandum along with a risk determination for each of the environmental, social and governance dimensions, which is presented during the loan approval process. For any loan opportunities determined to have elevated risk in any of these dimensions, a dedicated ESG risk sub-committee is responsible for ensuring that risks are appropriately addressed and mitigated prior to loan approval.

The Working Group will also present loan opportunities for consideration as Eligible Projects using the Sustainable Finance Addendum created for each opportunity (see Appendix). The Sustainable Finance Addendum outlines the characteristics of the transaction that support its qualification as an Eligible Project under the Forbright Green Financing Framework, and will include, at a minimum:

- UN SDG Alignment
- Eligible Project Category per the Green Bond Principles
- Description of project and explanation of what makes it an Eligible Project
- Impact metrics that have been collected or will be collected, as feasible

The ESG Strategy Committee ("Strategy Committee"), which includes Forbright's Chairman of the Board, CEO, General Counsel, Chief Strategy Officer, Head of ESG and Presidents of Healthcare and Specialty Lending, will provide oversight to the Working Group. The Strategy Committee will review the proposed Eligible Projects and respond with an approval or rejection. A standardized form has been created to document proposals, approvals and rejections and will be maintained by the Head of ESG.

Management of Proceeds

A Sustainable Asset Tracking ("SAT") group will be created to track the actual amount of net proceeds from the issuance of the Green Bond spent on Eligible Projects. Pending allocation, an amount equal to the net proceeds from the issuance of the Green Bond will be held in accordance with internal liquidity policies and may be temporarily invested in cash or cash equivalents.

In the case of divestment or if a project no longer meets the eligibility criteria listed above, Forbright intends to reallocate the funds to other Eligible Projects. The Forbright SAT group will also track any unallocated Green Bond funds. Unallocated funds will be held in cash and cash equivalents.

Reporting

Forbright understands the importance of timely reporting transparency and will report at least annually on its progress in deploying the Green Bond funds until all net proceeds have been fully allocated. Forbright will publish a report on its [website](#) that will include:

- Amount allocated by Eligible Project Category
- Description of specific projects financed
- Impact metrics (achieved or expected), as feasible
- Unallocated balances

Impact metrics achieved or expected, as feasible, may include:

Green Bond Principle - Eligible Project Category	Possible Impact Metrics
Renewable Energy	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided in tons of CO2 equivalent/year • Annual renewable energy generation in MWh/GWh • Capacity of renewable energy plant(s) constructed or rehabilitated in MW
Energy Efficiency	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided in tons of CO2 equivalent per year • Annual energy savings in MWh/GWh and GJ/TJ per year

External Review

Forbright has engaged Sustainalytics to provide an opinion on this Green Financing Framework and reserves the right to engage external auditors to verify the use of proceeds on an annual basis until the proceeds are fully spent. The external opinion and external attestation will be made available on the bank's [website](#).

Disclaimer

The information contained in this Green Financing Framework is provided as of the original date of this document (or the date of its most recent update, if applicable) and Forbright, Inc. and its wholly owned subsidiary Forbright Bank, recently rebranded from Congressional Bancshares, Inc. and Congressional Bank, ("Forbright") does not assume any duty to update the information.

This Green Financing Framework is provided for general informational purposes only and does not constitute or form a part of any offer, or an invitation on our behalf or on behalf of any underwriters, to subscribe for or purchase any securities of Forbright, and may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. If any such offer or invitation is made, it will be done so pursuant to separate and distinct documentation in the form of a prospectus supplement, an accompanying prospectus or other equivalent document and a related pricing term sheet (collectively, the "Offering Documents"). Any decision to subscribe for or purchase any securities of Forbright pursuant to such offer or invitation should be made only after carefully reviewing such Offering Documents, including any documents incorporated by reference therein, and consulting with any legal, tax, financial and other advisors, as appropriate. No decision to subscribe for or purchase any securities of Forbright should be made on the basis of the information contained in this Green Financing Framework.

You should not assume that the information appearing in this Green Financing Framework is accurate as of any date other than the date hereof, as Forbright's business and prospects may have changed since that date. This Green Financing Framework is not intended to provide the basis for any third-party evaluation of any Forbright securities, and should not be considered as a recommendation that any investor should subscribe for or purchase any Forbright securities, or as an assessment of the economic performance and creditworthiness of any Forbright securities.

This Green Financing Framework contains statements regarding Forbright's plans with respect to its Green Bond issuances. Such statements are, by their nature, forward-looking, and accordingly are subject to numerous assumptions, risks and uncertainties, which may change over time. In particular, future events or circumstances may change Forbright's approach to Green Bond issuances or result in changes to the terms of Forbright's Green Financing Framework. Thus, there can be no assurance that the financing for any Eligible Projects will be implemented in the manner set forth in this Green Financing Framework or achieve the results or outcome (environmental or otherwise) originally expected or anticipated by Forbright or as contemplated by this Green Financing Framework. Applicable Offering Documents may describe other or more specific risks to accomplishment of Forbright's plans as set forth in this Green Financing Framework. Forbright's activities in general, which may affect any Green Bonds that it issues, are also subject to certain risks and uncertainties that are described in the Offering Documents.

APPENDIX: Sustainable Finance Addendum

Sustainable Development Goal(s) and Underlying Target(s)	UN SDG: Underlying SDG Targets:
Eligible Project Category per the Green Bond Principles	<ul style="list-style-type: none"> •
Description of project and explanation of what makes it an Eligible Project	<ul style="list-style-type: none"> •
Impact metrics that have been collected or will be collected, as feasible	<ul style="list-style-type: none"> •