

**2021**

**Corporate Social  
Responsibility  
Report**

# Who We Are

SouthState Bank is a regional community bank that provides a wide range of financial products and services to our customers through throughout our six state footprint in Florida, South Carolina, Alabama, Georgia, North Carolina, and Virginia.

We also provide products and services for over 1,000 small and medium-sized community banks throughout the United States through a correspondent banking and capital markets division and our Duncan Williams, Inc. broker-dealer subsidiary, and we offer factoring services to transportation companies and automotive parts and service providers nationwide through our Corporate Billing, LLC finance company subsidiary.

Recently, SouthState received top honors from Forbes and Greenwich, including being listed in the top 50 of Forbes' Best Banks in America and receiving seven regional Greenwich Excellence awards for both middle market banking and small business banking.

5,300

Employees committed to providing SouthState's customers with the financial product and services they need to meet their goals

275

Branches in our community focused, 6-state footprint, along with an expansive network of ATMs and best in-class online and mobile banking platforms

\$24 Billion

In gross loans, including community development, small business and PPP loans as of June 30, 2021

\$40 Billion

Total assets as of June 30, 2021



# Our Vision, Guiding Principles and Core Values

Our vision is to invest in the entrepreneurial spirit, pursue excellence and inspire a greater purpose. The guiding principles supporting this vision are soundness, profitability and growth, while expecting our teams to lead with integrity and accountability. The Company's core values reflects how we intend to fulfill our vision and meet our guiding principles through our interactions with each other, our customers and the communities we serve.

## Guiding Principles



## Core Values

- **Local Market Leadership.** Our business model supports the unique character of the communities we serve and encourages decision-making by a banker that is closest to the customer.
- **Long-Term Horizon.** We think and act like owners and measure success over entire economic cycles. We prioritize soundness over short-term profitability and growth.
- **Remarkable Experiences.** We will make our customers' lives better by anticipating their needs and responding with a sense of urgency. Each of us has the freedom and responsibility to do the right thing for our customers.
- **Meaningful and Lasting Relationships.** We communicate with candor and transparency. The relationship is more valuable than the transaction.
- **Greater Purpose.** We enable our team members to pursue their ultimate purpose in life – their personal faith, their family, their service to the community.

Because we recognize the importance of encouraging our employees to act consistently with our vision and core values, we maintain a board-level Culture Committee that oversees the implementation of our vision and core values. Our Culture Committee also oversees our programs for building and retaining a diverse and inclusive employee base, through our recruiting, training and leadership training programs, employee engagement programs, and our internal and external cultural messaging.

# Foundation of our Corporate Social Responsibility



## Community

Through community leadership, financial support and volunteerism, we are committed to building strong and vibrant communities where we operate in order to make a positive difference where we work and live.



## Colleagues

We foster building a strong culture based on our core values of remarkable experiences, local market leadership, and meaningful and lasting relationships, and an environment where employees feel respected, included and heard. Our most valuable asset is our workforce, and our success is a direct reflection of the talent and tireless efforts of our people.



## Corporate Stewardship

We believe effective corporate governance, which includes being good stewards and promoting the highest ethical standards, is the bedrock on which to build our corporate culture and communicate our core values.



## Environment

We believe in doing our part to operate more efficiently by adopting sustainable practices and reducing waste, so we can reduce our impact on the environment.

# Pursuing a Greater Purpose

**1,054**

Organizations awarded grants and contributions from SouthState

**\$1.2 million**

COVID-19 relief funds donated by SouthState

**5,000**

Volunteer hours in over 385 different organizations by SouthState team members

**\$16 million**

SouthState's investments in low-income housing tax credits for affordable housing

**\$75,000**

Financial assistance provided by SouthState to its team members through The Sunshine Fund

**\$576 million**

Community development loans extended by SouthState

**\$3.6 million**

Grants and contributions awarded by SouthState to organizations

**\$8 billion**

CRA-eligible loans made by SouthState





## Our Commitment to Our Community

### Volunteerism and community outreach

In 2020, SouthState employees completed more than 5,000 volunteer hours for 385 different organizations and served as board and/or committee members for 221 organizations.

Some specific examples include:

- Sponsored and served as lead facilitator of the Faith and Finance program for The Cornerstone Initiative in Huntsville, AL., a twelve (12) week course designed to provide individuals living in poverty a foundation for good financial literacy by discussing money in context of relationships, attitudes, values, and obstacles.
- Sponsored United Way of Central Alabama Free Tax Prep Program which offers households with annual income equal to or less than \$54,000 free volunteer tax preparation by a VITA URS certified preparer.
- Partnered with Indian River State College in Fort Pierce, Florida to create the Partners in Prosperity Institute for Non-Profit Excellence to help non-profit leaders enhance their leadership skills, improve employee retention, create a pipeline for in-house promotion and increase workplace harmony.
- Sponsored and participated in first-time homebuyer seminars hosted by Consumer Credit Counseling Services of Savannah, Georgia.
- Donated to the Atlanta Community Food Bank to support their mission to provide food and resources to the most in need, including homeless families and children.

We recognize the importance of education and financial literacy to underrepresented people and underserved communities. In 2020, employees volunteered 149 hours

facilitating financial literacy seminars. We also collaborated with EVERFI to provide financial literacy to elementary school students. In 2020, the program reached 2,833 students in 40 schools, providing 3,088 hours of learning. Ninety-nine percent (99%) of the students in these schools were considered low-to-moderate income, and 51% of the student population in most of the schools served are eligible for and/or receive reduced or free lunch.

We offer our employees up to 4 days of paid volunteer time annually to lend their expertise to a worthy organization, whether through skills-based volunteering or service projects.

Corporate giving is also integral to our culture. In 2020, SouthState provided \$3.6 million in grants and contributions, supporting the mission of 1,054 organizations.

### Pandemic Response

In response to the COVID-19 pandemic, SouthState provided \$1.2 million in COVID-19 relief donations to organizations across the Bank's six-state footprint. In addition to these efforts, SouthState participated in the Paycheck Protection Program. During the first round of PPP, SouthState originated almost 20,000 PPP loans totaling \$2.4B.

Additional Pandemic Response actions included:

- Offering 90-day payment deferrals and flexible loan modifications
- Waiver of loan payment fees
- Accepting partial loan payments
- Waiving early withdrawal penalties on CDs
- Waiving ATM fees, including foreign ATM fees
- Increasing ATM, Debit, and Mobile Deposit daily limits





## CRA and Community Development

We are committed to serving the communities in which we operate and we listen to their needs. Twenty-six percent (26%) of our branches are located in low-to-moderate (LMI) communities.

Our communities need more affordable housing, and as a member of the Federal Home Loan Bank of Atlanta, we participate in the FHLB Atlanta's Affordable Housing Program (AHP) to provide grants to LMI homeowners and to projects that support affordable housing. Funds were used to provide down payment and closing cost assistance for LMI borrowers to purchase their primary residence, for the rehabilitation an existing owner-occupied home located in "Major Disaster Declaration" areas as designated by FEMA, and for competitive projects for affordable housing development. Using these products had a positive impact on our communities. Results and impact from 2018-2020 include:

- \$2.3M in equity funding provided to developers of rental and for sale affordable housing, creating 377 affordable housing units and approximately 700 jobs.
- \$442,000 in down payment assistance funds awarded to 82 low-to-moderate income borrowers, creating 153 jobs, resulting in a \$25.4MM economic impact to the community.

In 2020, the Bank extended approximately \$8 billion in CRA-eligible loans.

To further support lending to LMI borrowers, our Mortgage Division offers the Buyer's Advantage residential mortgage product, which provides up to 100% financing for LMI borrowers to purchase their primary residence. In 2020, we originated 559 mortgages totaling \$106 million under the First Time Homebuyers and Buyer's Advantage products.

In 2020, we also invested approximately \$16 million in Low-Income Housing Tax Credits (LIHTC), creating 315 affordable housing units in Charleston, Georgetown, and Summerville, South Carolina, and we made 369 community development loans totaling \$576 million to borrowers within our footprint.

## Supporting Minority Depository Institutions

As part of our commitment to our community, SouthState is committed to providing full, equal and fair access to banking services, and we recognize the significant role Minority Depository Institutions (MDIs) play in providing financial services in underserved communities. In support of the Office of the Comptroller of the Currency's (OCC)

Project REACH initiative to revitalize MDIs, SouthState has engaged and had meaningful collaboration discussions with several institutions. In 2020, we placed deposits with several MDIs, and are continuing the conversation with them and others on additional opportunities to partner.

## Diversity and Inclusion

We strive to build a powerful and diverse team of employees, knowing we are better with our combined wisdom and intellect. With a commitment to equality of opportunity, inclusion and workplace diversity, we focus on understanding, accepting, and valuing the differences between people. To be more intentional about our stewardship initiatives, during 2020, we named a Director of Corporate Stewardship whose responsibilities include enterprise diversity, environmental and social governance, community and management training and development. .

We sponsor programs within our communities that support diversity and inclusion, including:

- Sponsoring an affiliate's United Negro College Fund (UNCF) annual event that is focused on raising funds to help African American students attend and graduate from college.
- Contributing to a local university's Diversity, Equity and Inclusion fund established to support the recruitment, retention, and success of diverse students and to mitigate financial challenges experienced by underrepresented minority students that threaten their pursuit of academic achievements.
- Participating in Birmingham, Alabama-based Holy Family Cristo Rey Catholic High School's Corporate Work Study Program designed to remove institutional



barriers, decrease economic inequality and advance racial equity.

- Sponsoring and assisting with building a wheelchair ramp for a disabled veteran in partnership with the Center for Independent Living in Orlando, Florida.
- Providing support to the Black Business Investment Fund, Florida's leading commercial and business minority lending institution that traditionally serves black, minority and underserved small businesses.
- Donating to the Community Foundation of Greenville (South Carolina) to support the development of the Unity Park, which is meant to spark diversity and inclusion, as well as affordable housing.
- Supporting the Columbia, South Carolina Urban League with a financial donation upon its opening of the Gateway Empowerment Center, the primary purpose of which is to improve the social and economic status of African Americans and disadvantaged and underserved communities by attacking the cycle of poverty.





## Our Commitment to Our Colleagues

To attract and retain the high-performing, talented employee base we need, we invest in our employees, providing them with necessary opportunities to develop and further their careers.

### Talent Acquisition

We seek to hire well-qualified employees who are also a good fit for our value system. Through our commercial banking internships and management training programs, we recruit from a talented, diverse pool of students from local colleges and universities. For our 2021 internship program, 40% of the interns are gender or racially/ethnically diverse; 30% are women; and 30% are racial/ethnic minorities (African-American or Asian).

To complement other recruitment efforts, our Talent Acquisition team attends job fairs hosted by Historically Black Colleges and Universities within our footprint. Additionally, the Talent Acquisition team partners closely with regional line of business leadership to network and recruit in-market, experienced and diverse talent in metropolitan markets within our footprint who bring with them a requisite skill set, professional background and aptitude to help grow the Bank and position our teams to support and lead a larger financial institution in the future.

### Development

We invest in the development of our employees by providing opportunities to participate in continuing education courses that are relevant to their job function within the Company. Our internal Corporate University offers a suite of leadership development programs to support various levels of leadership experience and expertise with graduated topics designed to engage and develop leaders by improving business acumen and offering 360 degree reviews, individual coaching opportunities and education on topics addressing culture, communication styles and mentoring. Because the banking industry is highly regulated, we also require employees to complete annual compliance training, and classes are selected based on each employee's job responsibilities.

### Engagement and Retention

We offer competitive compensation and benefit packages, and a team-oriented environment centered on professional service and open communication amongst employees. Our comprehensive employee benefit program for full-time employees includes: group life, health, dental and vision insurance; prescription benefits; flexible spending accounts; educational opportunities; deferred compensation plans for officers and key employees; and a 401(k) plan with a Company match. The Company sponsors a broad leave plan employees may use for vacation, personal use and illness,

and it awards paid leave based on tenure of service and title.

We believe that gauging our employees' satisfaction is crucial to understanding the needs of our employees and developing a cohesive engagement and retention plan. Given the recent merger, integration and conversion of South State Bank and CenterState Bank, N.A. to create the Bank as it exists today, we are focused on developing an employee satisfaction survey suitable to reflect and gather information about the combined Bank, its operations and its emerging culture. We intend to deploy this tool in early 2022.

We promote the health and wellness of our employees by strongly encouraging work-life balance, offering flexible work schedules, keeping the employee portion of health care premiums to a minimum and sponsoring various wellness programs. We also offer:

- A Critical Care Time (CCT) benefit, up to a maximum of 12 weeks, which an employee can use in the case of an employee's or a family member's severe illness.
- Parental leave, allowing an employee to take up to 6 weeks of paid leave following the birth of a child or the placement of a child in the home through adoption or foster care.
- the Sunshine Fund, a 501(c)(3) organization funded by Company contributions and employee donations, to provide financial assistance to employees to pay for food, lodging, utilities, necessary home repairs (i.e., a new roof) and similar expenses. In 2020, SouthState assisted 51 employees by providing approximately \$75,000 in financial assistance.
- an Employee Assistance Program that offers assistance and counseling to, among other things, encourage emotional well-being, address stress and anxiety, and provide referrals to resources related to important needs (i.e., education, daily living and caring for children or elderly loved ones).
- The Company has been recognized for its efforts by being named to the top 50 of Forbes' Best Banks in America in 2020, as well as being named one of Forbes' Best-in-State Banks in South Carolina and Georgia. The company also was named a 2020 Best Place to Work in South Carolina and North Carolina. In addition, prior to the 2020 merger of equals with CenterState Bank, CenterState was named a 2020 Top Workplace by The Atlanta Journal Constitution, the Sun Sentinel and the Orlando Sentinel. In 2019, the company received the Women's Choice Award® for Best Companies for Women and was named a 2019 Top Work Place (Richmond, Virginia). With the merger of SouthState and CenterState, we intend to build on our prior successes and continue our excellence in offering an engaging, vibrant place to work for all our employees.

# Our Commitment to Effective Governance

## Board of Directors

Our Directors are a diverse group who bring a strong combination of qualifications, skills and experiences that align with SouthState's business and strategy. In 2020, our board consisted of 16 directors, 10 of whom are independent. Our directors stand for election annually. We separate the Executive Chair and lead Independent Director from our CEO to promote independent oversight.

## An Ethical Workplace

All SouthState directors, officers and employees are responsible for maintaining the highest ethical standards in conducting business, including avoiding conflicts of interest and self-dealing, through adherence to the Company's Code of Ethics. While the tone at the top is set by our Board and embodied by our senior management, we reinforce this focus throughout our organization. We require all employees to complete annual training on their ethical obligations, business standards and culture, so they understand we all have a role in serving our customers and managing our company responsibly. In addition, on an annual basis, we require each employee to complete a comprehensive suite of training courses selected to align with the daily job responsibilities of each such employee, including compliance courses designed to remind and educate our employees about their responsibilities to comply with applicable laws and regulations, including those designed to protect consumers, and classes designed to raise awareness of data privacy-related issues and best practices to mitigate the risk of exposing confidential consumer information.

The Company believes that each employee is entitled to work in an atmosphere and environment free of discrimination and unlawful harassment. The Company has established and communicated to all employees a structure for reporting incidents of harassment or discrimination, and our employees are required to complete annual training on sexual harassment.

The Company's Whistleblower Policy provides employees, customers, vendors and others with a confidential formal mechanism to express concerns or complaints regarding the Company's accounting, internal accounting controls, auditing matters, securities law compliance, or any provision of federal law relating to fraud against shareholders. A person may submit concerns anonymously through a third party portal, and each report will be routed automatically to the Chief

## Key Director Statistics

**6.9** years average tenure, below the 7.9 year S&P 500 average

**19%** are ethnically or gender diverse

**63%** have CEO-level experience

**50%** have senior executive experience at financial institutions

Audit Executive, Chief Risk Officer, Deputy Chief Audit Executive, and the Chairman of the Audit Committee. In the event an employee or any other interested party has a concern or complaint that he or she believes would be inappropriate to deliver to the Chief Audit Executive, Chief Risk Officer, and/or Deputy Chief Audit Executive, he or she may report the concern or complaint directly to the Chairman of the Audit Committee. Other complaints or concerns, such as those relating to human resources matters, may also be submitted confidentially through the whistleblower process, and any such matters will be routed to the appropriate person or department for investigation and resolution.

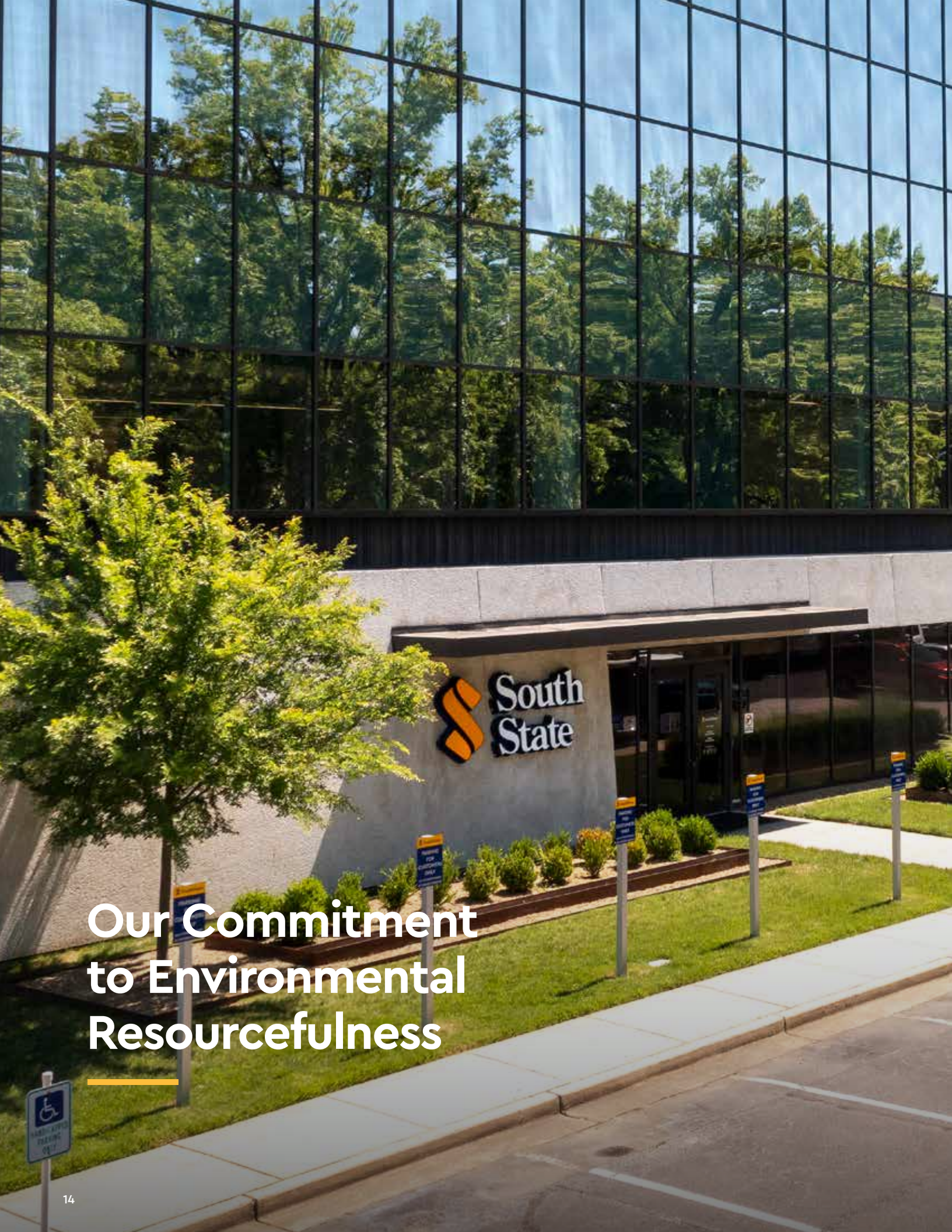
We have a conduct risk oversight committee that oversees the investigation of employee conduct complaints and concerns on an enterprise-wide basis, providing structure and support for resolving these matters. In addition, we have a formal complaint management program where complaints are formally logged, investigated and resolved, and root causes and trends are analyzed. The findings of each of these committees is reported to the Board Risk Committee periodically to better inform the Risk Committee and the Board of Directors as to employee conduct or complaints that may result in increased risk to the Company.

## Cybersecurity Risk and Data Security

SouthState's enterprise security strategy revolves around people, processes, and technology. SouthState uses a "defense in depth" strategy that combines physical control measures with logical control measures, and a layered security model to provide end-to-end security of client information. To meet SouthState's objective of protecting the confidentiality, integrity and availability of all information assets in our environment, we have established four foundational control areas:

- 1. Program Oversight.** The program oversight area provides assurance that the overall structure of the information security program is effective by:
  - creating and updating as necessary information security policies and standards in alignment with minimum mandatory frameworks security practices for the organization;
  - tracking and managing exceptions to information security policies and standards
  - offering regular security awareness training to employees;
  - performing penetration testing on the systems within the SouthState environment, on a periodic basis;
  - performing cybersecurity and GLBA risk assessments on a periodic basis;
  - centralizing a log to support security controls around change and vulnerability management, access management and incident management.
- 2. Change and Vulnerability Management.** The change and vulnerability management program is designed to identify and remediate vulnerabilities and mitigate the risk that SouthState's information security posture is compromised by:
  - detecting and patching system vulnerabilities according to a risk-based methodology;
  - deploying malware defense software on systems throughout the environment, managing the malware defense software through a central console that provides details on system definition compliance, and generating malware alerts which are sent to appropriate personnel for remediation;
  - requiring formal security reviews by information security subject matter experts for all high-risk projects;
  - requiring that changes to enterprise production systems go through a formal change control process;
  - considering application security requirements throughout the software development lifecycle (SDLC) by using, as applicable, developer-secure code training, security requirements in software projects, static code analysis for high-risk products, and web application scanning; and
  - establishing and overseeing processes and practices to protect against the risk of compromise or loss of non-public information ("NPI") due to third party relationships.
- 3. Access Management.** The access management program is intended to mitigate the risk that users have access to protected assets to which they should not have access by:
  - using logical and physical controls to create network barriers to protect sensitive data;
  - implementing appropriate physical defenses, based on physical security requirements for each facility to protect sensitive information;
  - configuring user access according to the principle of least privilege and based on user role when possible; and restricting internet access to malicious internet websites by using logical and administrative controls.To support SouthState's access management process, we engage in access management reviews as part of key controls, including reviews of adherence to the process, and periodic user entitlement reviews.
- 4. Incident Management.** The incident management program is intended to position SouthState to respond to and remediate incidents efficiently, effectively and in a timely manner through:
  - the business continuity program that assigns (i) corporate facilities, assets, and key processes a criticality rating based on their risk profiles and (ii) each function an associated recovery time objective.
  - the incident response program, providing detailed workflows, roles and responsibilities for the execution of security incident handling inclusive of forensic support and third party reporting;
  - implementing controls to reduce both the likelihood and impact of DOS attacks; and securing assets and information through physical, logical, and administrative controls.

SouthState has established key performance indicators ("KPIs") for each key control identified within its information security program, and these KPIs are regularly tracked and communicated to senior management and the board of directors. The information security program also is subject to periodic audits by both internal and external auditors and the results of those audits provided to senior management and the board of directors.



## Our Commitment to Environmental Resourcefulness

SouthState provides consumers with an explanation of how we safeguard and use personal information entrusted to us. We seek to provide clear, user-friendly explanations of our privacy policies that explain how we collect, share, use and protect personal information and outline steps they can take to limit the sharing of personal information.

SouthState has implemented a range of initiatives targeted toward sustainability and reducing operating expenses, which, in turn, benefits our stakeholders and the greater community. In this regard, we have implemented many day-to-day energy-efficient practices, including various power-saving capabilities, a host of paperless solutions, and certain recycling programs.

Technology and digital enhancements remain a strategic priority for SouthState. Our ongoing investment in technology means our customers have access to digital products that contribute to a reduction in paper usage and the need for travel to banking offices for routine needs. In 2020, SouthState rolled out a new website built on a best-in-class platform and implemented a new mobile platform to facilitate an improved online and mobile experience for our customers and to facilitate our customers conducting many of the most common transactions at any time from their computers or mobile devices. In 2020, customers completed 26% of deposits and opened 20% of consumer checking accounts through our digital channels. In addition, customers may opt into receiving their personal and business statements digitally for most of our products and service offerings and in 2020, SouthState delivered over 40% of deposit account statements in electronic format.

SouthState's employees use technology solutions to negate the need for most printed documents, resulting in a significant environmental benefit of lower energy consumption and less waste production. In addition, SouthState uses video and mobile conferencing capabilities to reduce the need for travel.

SouthState will continue to evaluate opportunities to use technology solutions that decrease the environmental effects of employee travel and commutes and assist it in moving toward operating a paperless institution.

## Lending

SouthState is committed to assisting our clients and the communities in which we operate in achieving their energy reduction and operational cost goals. SouthState participates with Honeywell Building Technologies' Energy Savings Performance Contract program (ESPC) by providing financing to governmental agencies and colleges/universities for infrastructure projects that improve energy efficiency, thus reducing utility consumption such as energy and water. ESPC projects are designed to provide the most beneficial amount of improvements that could be paid for utilizing energy and operational savings with minimal financial risk.







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### Investor Relations Contact

For additional information, please visit SouthState's Investor Relations page, linked at [www.southstatebank.com](http://www.southstatebank.com)



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