

# Responsible & Sustainable Business Policy



 **BerkshireHills**  
Bancorp<sup>SM</sup>

# Responsible & Sustainable Business Policy

## Policy Statement:

The Responsible & Sustainable Business Policy provides guidance to employees of Berkshire Hills Bancorp, Inc., and all direct and indirect subsidiaries (collectively, the “Company”) on the Company’s Environmental, Social and Governance (ESG) activities, business practices, codes and commitments.

The Company seeks to empower the financial potential of all individuals, families and businesses in the communities it serves. It strives to be a good corporate citizen and recognizes the importance of operating in a socially and environmentally responsible manner grounded in its Be FIRST values and aligned with its Code of Business Conduct and the expectations of employees, customers, shareholders, regulators, suppliers and communities at large (collectively, “stakeholders”). The Company’s Responsible & Sustainable Business Policy goes beyond basic compliance by outlining additional commitments, principles and expectations. This policy empowers employees to act in accordance with the Be FIRST values and the commitments set forth to ensure the Company operates responsibly, inclusively and sustainably to be the leading socially responsible community bank in the markets it serves.

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## Responsible & Sustainable Business Policy *continued*

### **Area Name:**

Roles & Responsibilities

### **Area Statement:**

**Board of Directors ("Board"):** The Board is responsible for overseeing the Company, including the strategic direction. A component of the strategic direction includes an ESG, corporate responsibility and sustainability policy that mitigates social, culture and environmental risks, enhances reputation and deepens the Company's engagement in the communities it serves. The Board will formally approve policies that set responsible and sustainable business commitments and principles. The Company's monitoring systems allow the Board to hold management accountable for operating within established standards. The Board shall take steps to develop and maintain an appropriate understanding of the social, culture and environmental strategies, opportunities and risks facing the Company, through briefings from internal, and potentially, external experts. Through the Responsible & Sustainable Business Policy, the Board shall provide clear guidance on efforts to support the Company's stakeholders, employees, environment, and communities, protect the brand and promote ethical, transparent, and inclusive business practices.

**Corporate Responsibility & Culture Committee ("CRCC"):** In conjunction with the Board, the CRCC shall set the tone for the overall ESG, corporate responsibility, sustainability and culture of the Company. The CRCC is responsible for overseeing the Company's ESG, corporate responsibility and culture performance, including environmental sustainability and climate change. The committee is appointed by the Board, in part, to review and approve such Company policies as delegated by the board including the Responsible & Sustainable Business Policy and management's implementation of systems designed to identify, measure, monitor, control and report on the Company's ESG, corporate responsibility and culture performance.

**Other Board Committees:** Risk Management, Capital & Compliance Committee, Corporate Governance/Nominating, Compensation and Audit Committees are responsible for additional oversight of the Company ESG, Corporate Responsibility, Sustainability and Culture performance within the scope of the respective Charters which outline specific purposes and duties.

**ESG Committee:** In conjunction with the Board and executive management, the ESG Committee (ESGC) is responsible for overseeing the enterprise-wide ESG and Corporate Responsibility program consistent with the Company's Be FIRST values and strategic vision. The Committee monitors and proposes strategies designed to identify, measure, control, and enhance the Company's ESG and Corporate Responsibility performance.

## Responsible & Sustainable Business Policy *continued*

**Management Committees:** The Board and executive management formed an extensive and elaborate management committee structure that is responsible for overseeing most aspects of operations and for helping ensure that the Responsible & Sustainable Business Policy is communicated, implemented, and integrated throughout Company processes.

**Executive Management:** The Chief Executive Officer (“CEO”), President, Chief Financial Officer, Chief Human Resources & Culture Officer, and all other Executive Management are responsible for promoting and communicating the Company’s ESG, corporate responsibility and culture commitment in conjunction with the Company’s strategic objectives. The Company’s executive management provides updates to the CRCC and the Board or delegates such responsibilities to the Corporate Social Responsibility Officer.

**Corporate Social Responsibility Officer:** Under the direction of executive management, the SVP, Corporate Responsibility and Communications serves as the Corporate Social Responsibility Officer (“CSRO”), responsible for facilitating the development, implementation, and execution of the overall ESG and, Corporate Responsibility Program and Responsible & Sustainable Business Policy, in collaboration with other applicable executives and senior leaders. The CSRO is also responsible for providing updates to Executive Management on program performance and representing the Company with stakeholder groups.

**Senior Management:** Members of the senior management team are responsible for the line-of-business functions and for the ESG, corporate responsibility, sustainability and culture activities within their respective departments. Senior management is accountable for implementing strategies approved by the CRCC and ESGC in a manner that complies with policies, rules, regulations, and supervisory requirements. Senior management is also responsible for the implementation, integrity, and maintenance of management information systems that provide accurate, comparable and timely data and a clear understanding of the business activities to the CSRO for use in internal/ external reporting and public disclosures. Senior management is responsible for ensuring department compliance with the Responsible & Sustainable Business Policy.

**All Employees:** All employees are accountable and responsible for adhering to the Responsible & Sustainable Business Policy. All employees shall identify opportunities in their areas of responsibility and advise their managers of potential ways to enhance responsible and sustainable business performance identify and mitigate ESG risks, as well as foster a culture of belonging. As a cornerstone of the Company’s commitment to financially empower its communities, provide banking services for all, reduce the wealth gap and help all individuals and communities realize life’s exciting moments, employees are expected to be active and engaged in all aspects of the Company’s social and environmental responsibility efforts. Staff will be held accountable for nonconformance with this Policy and all employees are expected to complete annual training on this Policy.

## Responsible & Sustainable Business Policy *continued*

### **Area Name:**

Responsible & Sustainable Business Culture

### **Area Statement:**

The Company advocates and upholds responsible & sustainable business practices in a culture that embraces its Be FIRST values of Belonging, Focusing, Inclusion, Respect, Service and Teamwork. As a result, the Company encourages and empowers employees to act in accordance with the values in all aspects of the Company's business. If any activity is in direct conflict with these values and behaviors, the Company will look to mitigate and address with appropriate recourse.

### **Belonging fosters an environment where all relationships matter**

- » Promote a culture of self-awareness, empathy and collaboration
- » Embrace and appreciate perspectives to enhance our work environment
- » Champion ongoing open communication

### **Focusing on a positive attitude and everything else will follow**

- » Adopt a solution-orientated mindset, look at all opportunities and obstacles with a balanced perspective
- » Make the best of every situation
- » Be curious and embrace learning

### **Inclusion invites openness and builds belonging**

- » Encourage diverse perspectives and be open to challenging the status quo
- » Solicit feedback and take into consideration all points of view
- » Ensure that everyone has the opportunity to be heard

### **Respect cultivates an unyielding commitment to integrity and responsibility**

- » Exhibit respect for the opinions and ideas of others, actively listen and ask thoughtful questions
- » Demonstrate a commitment to the success and well-being of others
- » Take actions that represent our culture and are consistent with our values, ethical standards and policies

## Responsible & Sustainable Business Policy *continued*

### **Service quality should be delivered regardless of income or wealth**

- » Deliver the highest level of service to all individuals
- » Advocate for your colleagues and customers, respond in a timely manner and work diligently to provide solutions
- » Foster sustainable communities by actively participating in Company initiatives

### **Teamwork empowers collaboration and cooperation**

- » Work effectively with others across the organization to strengthen relationships and build consensus
- » Share knowledge and information to empower others
- » Bridge cultural diversity and be conscious of how your work affects others

## Responsible & Sustainable Business Policy *continued*

### **Area Name:**

Responsible & Sustainable Business Commitments

### **Area Statement:**

The Company's Be FIRST values serve as the foundation of its efforts to promote safe, ethical, transparent, inclusive, sustainable business and support its stakeholders, environment, and communities. The Company's Responsible & Sustainable Business Commitments build on the Be FIRST values by outlining additional commitments critical to the Company's ESG performance, sustainability and stakeholders. The Company encourages the integration of these commitments into all aspects of its business.

- » **Human Rights:** Ensure respect for basic human rights including life, liberty, expression and equality. The Company has no tolerance for and protects against workplace harassment, abuse, discrimination and violence. The Company acts with due diligence to avoid infringing on the rights of others and to address any negative impacts, complying with the Universal Declaration of Human Rights and the UN Guiding Principles for Business & Human Rights.
- » **Ethics:** Commit to an environment of trust, fairness, good governance and to hold itself to high standards of integrity. Employees adhere to the Company's Code of Business Conduct and all laws. When employees are unsure, they use the Company's Be FIRST values as their guiding principle. The Company encourages its third party providers to have guidelines in place that define organizational expectations relating to the ethical, moral and legal behaviors of their employees.
- » **Regulatory Compliance:** Comply with all federal, state and local government regulations in all its business activities. The Company works proactively to maintain a strong and consistent culture of compliance. Employees are required to complete mandatory compliance trainings on-time to ensure the Company is continually learning and maintaining a high level of knowledge of the regulatory environment.
- » **Diversity, Equity & Inclusion:** Commit to diversity, equity and inclusiveness and belonging in the workplace as differences drive innovation and bring together diverse perspectives, experiences, ideas and opinions. The Company prohibits discrimination based on race, color, religion, sex, age, national or ethnic origin, marital, domestic partnership or civil union status, sexual orientation, disability, veteran status, gender identity and/or expression, socio-economic status, or any characteristic, status, identity, or expression protected under federal, state or local law.

## Responsible & Sustainable Business Policy *continued*

- » **Workplace & Culture:** Offer a dynamic, inclusive, engaging and exciting work environment, as well as a competitive wage and benefits program. The Company is committed to upholding its Be FIRST values and creating opportunities for employees to lead and grow with a focus on engagement, development, retention and equity. The Company ensures team members have the opportunity to offer feedback in a welcoming and professional environment providing frequent, transparent communications and employees with resource groups to foster belonging.
- » **Health, Wellness & Safety:** Create a healthy, safe and welcoming workplace that minimizes the risk of injuries and supports the social, emotional, physical and financial health of all. The Company provides comprehensive medical, dental, & vision plans, health savings account, extended sick pay allowance, long-term disability, group term life, dependent life and AD & D insurance, childcare reimbursement program, dependent care and flexible spending accounts, family and medical leave and employee assistance and financial wellness programs.
- » **Environmental Sustainability:** Manage environmental impacts adhering to the Company's Environmental Sustainability Principles. When appropriate, the Company uses environmentally friendly products, services, procures its energy from renewable sources, builds to green construction standards, reduces its waste, and sources environmentally conscious supplies. The Company ensures safe water, sanitation, respect for biodiversity, critical habitats and considers the environmental impacts of its business activities, complies with its Environmental Loan Policy and strives not to undertake business activities that would irrevocably harm the environment.
- » **Data Privacy, Information and Cybersecurity:** Protect customers', employees', and third party providers' data, using multiple lines of defense including technology, training, controls, policies and procedures to detect and prevent fraud, unauthorized access or use, and disclosure of any sensitive information. The Company uses the National Institute of Standards and Technology (NIST) Cyber Security Framework to help manage cybersecurity risk by organizing information, enabling risk management decisions, and addressing emerging threats. Berkshire will notify stakeholders in a timely manner in case of policy changes or data breach, obtain user data through lawful and transparent means with explicit consent where required and collect and process user data that is limited to the stated purpose.
- » **Stakeholder Relations:** Engage stakeholders clearly, honestly and respectfully to understand current and emerging trends that may affect the Company's business operations. Identify potential social, environmental, culture and reputation risks, elevate concerns and work collaboratively internally and externally to mitigate those risks through programs, policies, and other tactics.



## Responsible & Sustainable Business Policy *continued*

- » **Community Investment:** Provide financial support directly to non-profit and community organizations through sponsorships and Berkshire Bank Foundation grants. Encourage the Company's employees to give back through its corporate volunteer & giving program, the XTEAM® and board service. Employees should refer to the Berkshire Employee Handbook, XTEAM Gives Back Site and the Company's website for additional information on Berkshire's community investment programs.
- » **Economic Inclusion:** Provide financial solutions, services, human capital and philanthropic investments to meet the evolving needs of vulnerable, marginalized, underrepresented and under resourced groups including small- and medium-sized businesses and women-, minority-, veteran-, disability- and LGBTQIA+-owned enterprises. The Company will not knowingly undertake activities that would disproportionately harm any group, and the Company will support its Community Reinvestment Act Policy. When appropriate, the Company will screen potential sponsorships, community investments and business transactions to help ensure it is meeting the needs of all constituencies.
- » **Consumer Financial Protection:** Protect and safeguard consumers with accurate, unbiased information on financial solutions offered by the Company, complying with all applicable laws, regulations, Company policies and best practices to ensure a strong, fair and consistent consumer experience. Deliver appropriate consumer education and practice fair debt collection in a manner consistent with Company policies and values.
- » **Transparent Marketing:** Promote products, services and the Company in a transparent manner that is reflective of the diversity of its communities, balanced, fair, easy to understand and minimize the use of fine print to build trust with consumers. Ensure that no advertisements are misleading, inaccurate or misrepresent products, terms, or services and activities are in conformity with all applicable laws, regulations and comply with the Company's Marketing Advertising Policy.

## Responsible & Sustainable Business Policy *continued*

### **Area Name:**

Environmental Sustainability Principles

### **Area Statement:**

The Company has a longstanding commitment to conducting its business in an environmentally responsible way. The Company's environmental principles outline operating guidelines that will help reduce potential negative impacts on the environment and address the risks and opportunities of climate change. In addition, the Company takes steps to conserve and protect natural resources, reduce its reliance on fossil fuels, develop and offer environmentally conscious products and services, engage employees and suppliers in a commitment to operating in an environmentally conscious manner. From financing projects that support the transition to a low-carbon economy to encouraging its employees to adopt more environmentally conscious practices, these principles will help embed environmental responsibility throughout the Company's business.

### **The Company:**

- » Complies with all applicable local, state and federal regulations in the communities in which it operates;
- » Complies with all applicable Company policies governing business with environmentally sensitive industries including, but not limited to, the Environmental Loan Policy as well as the Responsible & Sustainable Business sections of lending, deposit and investment policies;
- » Complies with Berkshire Bank's Environmental Standards as outlined in Schedule A;
- » Integrates consideration of material environmental risks and opportunities into business decision making;
- » Reduces its greenhouse gas emissions by procuring energy from renewable sources consistent with its renewable electricity goal, building to green construction standards and sourcing energy star certified or recycled technologies as well as environmentally conscious supplies when reasonable and available;
- » Offers environmentally conscious delivery of products and services;
- » Engages with its stakeholders on environmental topics material to its business;
- » Encourages employee engagement in order to enhance awareness and understanding of environmental topics;
- » Supports local community-based environmental initiatives with financial and human capital investments;
- » Monitors its environmental performance and reports on its performance internally and externally at a minimum annually
- » Communicates its principles and performance in an open and transparent manner

The Company encourages its business units to implement and integrate these principles into their operations and due diligence processes.

## Responsible & Sustainable Business Policy *continued*

### **Area Name:**

Climate Change

### **Area Statement:**

Climate change poses unprecedented risks and opportunities to Berkshire, its customers and communities. The impacts that can occur from climate change can directly and/or indirectly impact the Company and its stakeholders. As the transition to a low carbon economy accelerates, new policy emerges and market dynamics shift, Berkshire expects that its efforts to manage its environmental footprint, mitigate the risks associated with climate change and support the transition will allow it to strengthen its positioning as a high-performing, leading socially responsible community bank.

### **The Company:**

- » Maintains appropriate governance of environmental matters and strategy including relevant policies, procedures, and due diligence processes
- » Develops a sufficient understanding of climate risks including physical and transition risks
- » Sets a series of metrics and targets to assess climate risks, opportunities and monitor Company performance
- » Ensures climate risks are appropriately monitored, integrated into the Enterprise Risk Management Program, controlled and mitigated, and that strategies are adopted to proactively manage climate change
- » Identifies, measures, monitors, controls, and reports climate risks as well as corresponding mitigating tactics
- » Takes action to ensure that excessive climate risk is mitigated or eliminated, which may include reducing exposure to individual climate risk events, activities or increasing resources to support mitigating tactics
- » Reports on its performance in a transparent manner consistent with voluntary and regulatory guidance

## Responsible & Sustainable Business Policy *continued*

### Area Name:

Third Party Responsible Business Principles

### Area Statement:

The Company's Be FIRST values and Code of Business Conduct serve as the foundation of the Third Party Responsible Business Principles. The Third Party Responsible Business Principles describe the Company's expectations for its third parties on social, environmental and governance topics. The Company is committed to sourcing products and services from third parties who operate in a manner that is consistent with the Be FIRST values, these Principles and the Responsible & Sustainable Business Commitments.

### The Company expects:

<b>Protection of human rights</b>	Respect for basic human rights, including life, liberty, equality and freedom of thought and expression. No tolerance for and protect against workplace harassment, abuse, discrimination and violence
<b>Protection of health and safety</b>	A culture of safety, supporting practices, policies and documented safety procedures which include emergency and accident reporting that minimize the risk of injury or death and promote a healthy thriving workplace
<b>Fair labor practices</b>	No tolerance for the use of child or forced labor in any operations or facilities; compliance with applicable labor laws including those relating to wage rates, work hours, freedom of association, collective bargaining and conditions of employment
<b>Code of conduct and ethics</b>	Ensure that all employees demonstrate appropriate ethical, moral, and legal behavior in a manner consistent with the Company's Code of Business Conduct

## Responsible & Sustainable Business Policy *continued*

<b>Data Protection &amp; Cybersecurity</b>	Commitment to maintain a system of technologies, policies, procedures and controls to detect and prevent fraud, unauthorized access or use, and disclosure of any customers', employees' Company data or sensitive/confidential information.
<b>Diversity and Inclusion</b>	Commitment to respect diversity, including prohibitions against discrimination based on race, color, religion, sex, age, national or ethnic origin, marital, domestic partnership or civil union status, sexual orientation, disability, veteran status, gender identity and/or expression, socio-economic status, or any characteristic, status, identity, or expression protected under federal, state or local law. Ensure equal opportunities in hiring and promoting practices.
<b>Anti-bribery/Anti-corruption</b>	Prohibition of conduct that could violate anti-bribery or anti-corruption laws
<b>Environmental sustainability</b>	Commitment to minimize and mitigate any negative environmental impacts within their operations
<b>Legal and Regulatory Compliance</b>	Compliance with applicable laws and regulatory requirements that cover operations and the products and services provided
<b>Economic Inclusion</b>	Commitment to encouraging economic inclusion by working with and providing access to vulnerable, marginalized, and underrepresented groups when possible
<b>Community Engagement</b>	Commitment to investing and engaging in its community
<b>Transparency &amp; Reporting</b>	Commitment to report concerns to Berkshire regarding any financial, legal, reputational, social or environmental risks resulting from business activities



## Responsible & Sustainable Business Policy *continued*

### **Area Name:**

Fraud Reporting & Suspicious Activity

### **Area Statement:**

Fraud is any act of deception intended to result in financial gain for the perpetrator or financial loss to another person or company. All fraud or suspected fraud must be reported immediately for further investigation. Although it is preferable to report fraud or suspected fraud to the EVP, Chief Human Resources & Culture Officer and the Financial Investigations Unit ("FIU"), fraud can also be reported to General Counsel or reported through the anonymous reporting line. For more information, refer to the Code of Business Conduct and the Anonymous Reporting Line Policy, respectively.

Any unusual activity that is not fraud related, should be immediately reported to the SVP, Corporate Responsibility & Communications and the FIU. This activity includes, but is not limited to business practices, transactions, or behaviors that are not in compliance with the Responsible & Sustainable Business Policy and Be FIRST Company values.

## Responsible & Sustainable Business Policy *continued*

**Area Name:**

Conflict of Interest

**Area Statement:**

An individual shall not advance their own personal or business interests, or those of others with whom they have a personal or business relationship, at the expense of the Company. If an individual has an interest in a matter or transaction related to or intersecting with the Responsible & Sustainable Business Policy and practices of the Company, the individual must refrain from participating in the discussion, or decisionmaking, of the matter or transaction and disclose the situation in accordance with the Code of Business Conduct and other applicable policies.

## Responsible & Sustainable Business Policy *continued*

### **Area Name:**

Exceptions

### **Area Statement:**

Any request for exceptions to this policy must be made in writing to the SVP, Corporate Responsibility & Communications and include documentation that makes a strong case for the exception. The documentation must demonstrate that the granting of an exception will not result in irrevocable harm to the environment, stakeholders, Company or community. Any exceptions must be approved by the ESG Committee.



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