

Empowering Community Comebacks

2021 Corporate Responsibility Report





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About Berkshire Hills Bancorp, Inc.

Berkshire Hills Bancorp, Inc. (NYSE: BHLB) is the parent company of Berkshire Bank. The Bank sets itself apart from its peers through a focus on exceptional customer experience that's driven by its DigiTouchSM commitment combining extraordinary personal service with convenient, user-friendly technology enabled through leading fintech partnerships and outstanding performance on Environmental, Social and Governance (ESG) matters.

Our Mission

To empower the financial potential of individuals, families, businesses and organizations by making banking available where, when and how it's needed.

Our Brand Promise

Where you bank matters.

Our Be FIRST Values

Belonging fosters an environment where all relationships matter

Focusing on a positive attitude and everything else will follow

Inclusion invites openness and builds belonging

Respect cultivates an unyielding commitment to integrity and responsibility

Service quality should be delivered regardless of income or wealth

Teamwork empowers collaboration and cooperation



Overview

> **Assets:** \$11.6 billion

> **Lines of business:** Retail Banking, Consumer Lending and Payments, Commercial Banking, Wealth Management and Private Banking, as well as 44 Business Capital, Berkshire's national, direct small business lending division providing SBA loans

> **Retail footprint:** 105 branches, 170 ATMs and MyTellerSM ITMs in Massachusetts, New York, Vermont, Connecticut and Rhode Island

> **Workforce:** More than 1,300 Berkshire Bankers

> **Headquarters:** Boston

> **Founded in 1846:** The Berkshires in western Massachusetts

How to Connect

We value your active engagement. If you would like to connect with us to offer your feedback or stay involved, here are a few ways:

Berkshire Hills Bancorp, Inc.
60 State Street, Boston, MA 02109
800-773-5601
berkshirebank.com

Customer Service
800-773-5601
berkshirebank.com/help

Investor Relations
investorrelations@berkshirebank.com


Corporate Responsibility
csr@berkshirebank.com

Community Giving
foundation@berkshirebank.com

 **Twitter**
[@BerkshireBank](https://twitter.com/BerkshireBank)

 **Facebook**
facebook.com/BerkshireBank

 **LinkedIn**
linkedin.com/company/berkshire-bank

 **Instagram**
[@berkshirebank](https://instagram.com/berkshirebank)



Our Vision

To be a high-performing, leading socially responsible community bank in New England and beyond.

About This Report

Reporting Scope and Boundary

This report presents the material topics and impacts of our Environmental, Social, Governance and Corporate Responsibility activities during the fiscal year ending December 31, 2021, unless otherwise noted. This report encompasses all of Berkshire Hills Bancorp's wholly owned operations and activities. Throughout this report, "Berkshire Bank" or "the Bank" refers to Berkshire Bank. "BHLB" or "the Company" refers to Berkshire Hills Bancorp. All data reported in currency is in USD and abbreviated to M (thousands), MM (millions) and B (billions). This document is not required to be prepared or filed by the Company (as defined in this document) under U.S. securities laws and the information contained herein should not be read as necessarily rising to the level of materiality of disclosure required in securities law filings.

Reporting Framework

Berkshire Hills Bancorp's Corporate Responsibility report is based on globally recognized reporting frameworks and standards, including the Value Reporting Foundation's Sustainability Accounting Standards Board (SASB) Commercial Bank disclosure topics version 2018-10 and the Task Force on Climate-Related Financial Disclosure (TCFD). We continue to monitor the reporting landscape to ensure it aligns with best practices as well as the size and complexity of our operations.

Additional Resources

- > [Berkshire Hills Bancorp Annual Report on Form 10-K](#)
- > [Berkshire Hills Bancorp 2022 Proxy Statement](#)
- > [Berkshire Hills Bancorp Corporate Governance Website](#)

Sustainable Development Goals (SDGs)

Launched in 2015 by the United Nations General Assembly and signed by 193 world leaders, the 17 Sustainable Development Goals (SDGs) provide a plan for action to address challenges across the globe. The Company's corporate responsibility work contributes in some way to all 17 goals but most closely align with the following:





*We have long held the belief that **where you bank matters**, and the simple decision of where you bank can have an outsized impact in your community.*

Empowering Community Comebacks

Dear Stakeholders,

*As we look back on a truly remarkable year, one of improving performance, the launch of **Berkshire's Exciting Strategic Transformation (BEST)**, a continuing global pandemic and rapid change impacting Berkshire and all the communities where we operate, we can't help but be inspired by the collective actions of employees, customers and communities. We see it in the work of our employees, who strive to deliver a superior customer experience and give selflessly to the important causes in their communities. We see it in our customers, who are revitalizing neighborhoods, powering the low-carbon transition and creating countless jobs. We see it in our communities, big cities and small towns, the changemakers working tirelessly on the front lines to build a more just and equitable world. This whole ecosystem cannot work at its best if Berkshire isn't right there alongside them.*

We have long held the belief that where you bank matters, and the simple decision of where you bank can have an outsized impact in your community. Banks play an essential role in the economic fabric of every community, enabling people, businesses and entire neighborhoods to reach their full potential. In difficult times, like the past two years when we've continued to battle the global pandemic, Berkshire powerfully presented the outsized impact it can have on the community. We couldn't be prouder of how our employees, collectively and individually, stepped up to be a source of strength and resilience, all while taking Berkshire itself to even greater heights with BEST.

These long-held beliefs, 175 years of expertise and deep understanding of the areas in which Berkshire could have a meaningful impact, along with conversations with those disproportionately and unfairly impacted by the challenges in our world, led to the launch of our \$5 billion BEST Community Comeback in September. The plan will accelerate our positive impact in communities across our region by funding small businesses, community financing, philanthropy, financial access, and empowerment and environmental sustainability.

Looking ahead, our progress on BEST, the BEST Community Comeback and creating a best-in-class workplace may not always be linear. There will be roadblocks and opportunities, challenges we must collectively overcome. The only constant will be change. In times of change, it's more important than ever

that we are guided by our purpose. Our purpose is rooted in the principle that it is our responsibility to unleash everyone's financial potential by lifting up the communities we serve. If we stay true to this principle, we will be more than just a bank. We will become an engine for positive change – helping businesses prosper, individuals realize the dream of homeownership and accessible banking, combating climate change and creating jobs where they are needed the most. The possibilities are endless.

As long as Berkshire remains true to its purpose, there is nothing that will stop it from becoming a high-performing, leading socially responsible community bank in New England and beyond. On the road to getting there, we've already had a significant number of wins and awards to celebrate and challenges to conquer. Throughout that journey, we have been buoyed by one another and in the knowledge that it's only by working together that we can move forward toward a brighter future.

We look forward to working alongside each of you to make Berkshire a shining example of how a purpose-driven, community-dedicated organization can deliver exceptional value to all our stakeholders. Berkshire can and will be a company that stands out because we make a difference.

Onward and upward!

Nitin J. Mhatre (He, Him, His)
Chief Executive Officer

Gary R. Levante (He, Him, His)
SVP, Corporate Responsibility



BEST Community Comeback

In September 2021, we launched our BEST Community Comeback, a multiyear \$5 billion commitment that is rooted in our purpose to power the financial potential of our communities and as part of Berkshire's Exciting Strategic Transformation (BEST).

The plan focuses on strengthening all of our communities and unleashing the untapped potential within every community we serve through four key areas: fueling small businesses, community financing and philanthropy, financial access and empowerment and environmental sustainability.

Through this effort, Berkshire will create and save countless jobs, invest in our neighborhoods and employees and strengthen our diversity, equity and inclusion work in our communities.



Our Results

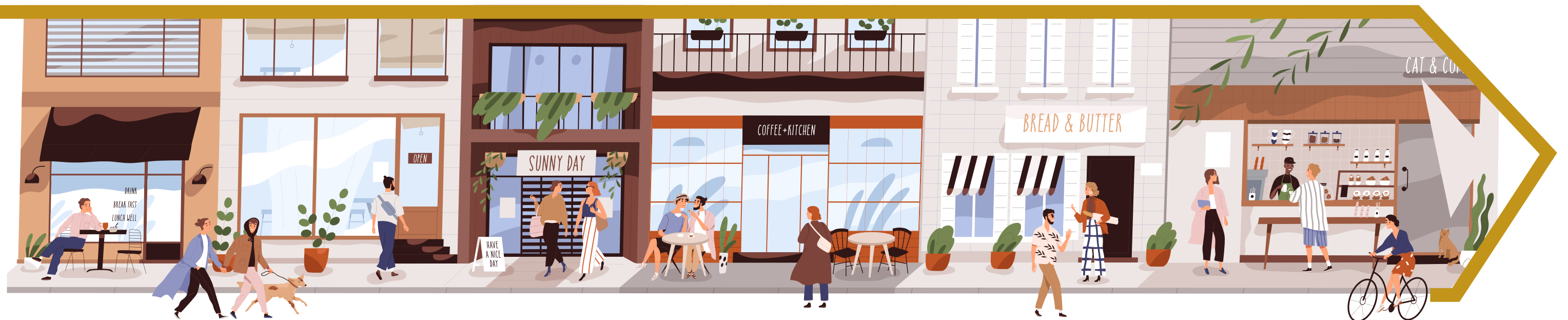
	Performance to Date*	Goal**
Fueling Small Business		
Small Business Lending	\$186MM	\$1.5B

	Performance to Date*	Goal**
Community Financing and Philanthropy		
Mortgage Lending	\$127MM	\$2.5B
Community Contributions	\$2MM	\$15MM
Employee Volunteer Time	\$209M	\$3MM equivalent
Socially Responsible Investments under Management	\$25MM	\$50MM

	Performance to Date*	Goal**
Financial Access and Empowerment		
Lending for Low- and Moderate-Income Neighborhoods	\$397MM	\$2.5B
Lending for minority Mortgage Borrowers	\$16MM	\$200MM
Individuals Impacted with Financial Wellness Programming***	199,983	300,000
Socially Responsible Customer Bank Accounts	183,856	200,000

	Performance to Date*	Goal**
Environment		
Lending for Low-Carbon Projects	\$30MM	\$300MM
Renewable Electricity Usage	53%	100%

*BEST Community Comeback performance includes July 1, 2021 to December 31, 2021 results. **BEST Community Comeback runs through December 31, 2024. ***Performance and goal includes individuals impacted by direct programming delivered by Berkshire employees and programming delivered through nonprofit partners funded by Berkshire and/or its Foundation.



Materiality and Stakeholder Engagement

Our Corporate Responsibility report centers on the material topics identified in our most recent materiality assessment. We define material topics as those that affect our economic, environmental and social performance or influence the decisions of our stakeholders today and into the future. Top material topics are outlined below. These topics drive the content, structure and scope of our report and program. **Detailed information on our most recent Materiality Assessment can be found on our website at berkshirebank.com/csr.**

Leadership and Governance

- > Board Governance
- > Risk Management and Compliance

Human Capital Management

- > Recruitment, Retention, Training and Engagement
- > Diversity, Equity and Inclusion
- > Health and Wellness

Responsible Banking

- > Business Ethics and Consumer Financial Protection
- > Customer Satisfaction
- > Data Privacy, Cybersecurity and Fraud
- > ESG Risk Management

Community

- > Community Investments

Environmental Sustainability

- > Financing Environmental Sustainability
- > Climate Change
- > Energy and Natural Resource Management

Financial Access and Affordability

- > Homeownership
- > Small Business Lending
- > Community Development Lending and Investments



Stakeholder Engagement

It's our goal to engage stakeholders clearly, honestly and respectfully to understand current and emerging trends that impact our business operations. We work together to identify topics that demand our attention. We are proactive and responsive to the unique needs of all stakeholders, evaluating each of their priorities based on its influence, legitimacy and urgency. We understand that meaningful engagement with our stakeholders is critical to improving our business and communities.

Stakeholder	How We Engage	What We Heard
Employees	Performance reviews, training and development, surveys, emails, intranet, employee assistance fund, employee town halls	Hybrid work, career growth, performance and rewards, wellness, customer focus, future of Berkshire
Customers	Meetings, phone calls, emails, satisfaction surveys, social media	Customer service, communication, account offerings, fees, branch locations/hours, digital accessibility and personal service, privacy and data security
Shareholders and Investors	Phone calls, emails, annual shareholder meeting, quarterly earnings calls, shareholder outreach, conferences	New CEO, BEST Plan, climate change, human capital management practices, diversity, equity and inclusion
Communities	Meetings, conferences, forums, social media, email, foundation grant-making, XTEAM volunteering, stakeholder listening sessions, industry/chamber memberships, community rooms	BEST Community Comeback, COVID-19 pandemic, housing, small business support, labor market, diversity, equity and inclusion
Government and Regulators	Meetings, webinars, CRA and compliance reviews, emails, phone calls	Strong regulatory partnerships, commitment to risk governance, support for mission and vision
Suppliers	Meetings, phone calls, emails, surveys, events	Procurement opportunities, supplier diversity
Nonprofit Organizations	Meetings, email, social media, conferences, stakeholder listening sessions, foundation grant-making, XTEAM volunteering	BEST Community Comeback, funding, volunteer opportunities, labor market, diversity, equity and inclusion

Investor Performance Summary

Throughout this report, we reference topics contained in the Sustainability Accounting Standards Board (SASB) Sustainability Disclosure Topics for Commercial Banks. Our investor performance summary presents the topics and standards that are most relevant to our operations and highlights where those quantitative and qualitative measures can be found. If a standard is not disclosed, it is because it is not considered material or is privileged or confidential; could cause a competitive disadvantage; or is not collected in a manner that allows us to correlate it to an SASB standard. Detailed analysis relevant to all our stakeholders is shared on subsequent pages throughout this report.

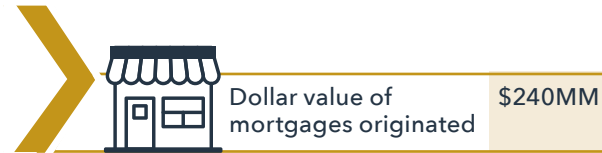
Topic	SASB Code	Metric	Direct Response or Link
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Not disclosed
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Data Privacy, Cybersecurity and Fraud pg. 12
Financial Inclusion and Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Small Business: (1) 5,080 (2) \$342MM Small Business Lending pg. 7 Community Development: (1) 70 (2) \$242MM Community Development Lending and Investments pg. 8
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Small Business: (1) 165 (2) \$9MM Community Development: (1) 0 (2) 0
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	183,856* Financial Wellness and Economic Inclusion pg. 9
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	246,335 Financial Wellness and Economic Inclusion pg. 9
Incorporation of ESG Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure by industry	See chart FN-CB-410a.1 on pg. 8
	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	ESG Risk Management pg. 14 of report and Stakeholders, Governance and Risk Webpage
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, malpractice or other related financial industry laws or regulations	Not disclosed. Material legal proceeding are included in Part I, Item 3 of the 2021 Annual Report on Form 10-K
	FN-CB-510a.2	Description of whistleblower policies and procedures	Business Ethics and Consumer Financial Protection pg. 10 and Business Code of Conduct and Anonymous Reporting Line
Systemic Risk Management	FB-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	N/A
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	Disclosed as part of Part 1, Item 1a, Risk Factors and Part 2, Item 7 Management Discussion and Analysis of our 2021 Annual Report on Form 10-K
Activity Metrics	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Personal (1) 266,079 (2) \$2.8B Small Business (1) 8,670 (2) \$255MM
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business and (c) corporate	Personal (1) 44,170 (2) \$1.9B Small Business (1) 5,080 (2) \$342MM Corporate (1) 4,747 (2) \$4.6B

*The figures provided encompass all no-cost, as defined by SASB, retail checking accounts. The Company does not collect information in a way that would allow us to correlate those accounts to unbanked or underbanked individuals.

Financial Access and Affordability

Homeownership

Berkshire recognizes that owning a home does more than put a roof over your head. It is the key to unlocking upward economic mobility, helping our neighborhoods flourish and diminishing the wealth gap. These efforts were made all the more important given the housing market trends that took place in the communities we serve. The low-interest-rate environment, coupled with low inventory fueled by the ongoing pandemic, drove housing prices higher, creating significant obstacles to many trying to enter the housing market or achieve the dream of homeownership. Despite these headwinds, Berkshire originated approximately \$240MM in mortgages during the last year to help individuals realize the dream of homeownership.

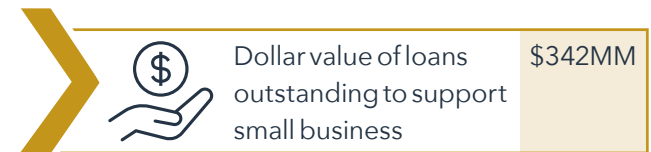


Ongoing pandemic conditions caused some borrowers to run into challenges paying their mortgages. As a result, Berkshire worked with these borrowers to help with loan forbearances and other assistance programs. As first-time homebuyers and others entering the housing market were faced with rising housing costs, we responded by ensuring the availability of programming for our communities and ensured we were offering a comprehensive suite of mortgage options to meet each borrowers' unique needs. This included the Federal Home Loan Bank of Boston Home Equity Builder Program, USDA Residential Program, VA Mortgages and the FHA Loan Program, along with several other state and local programs aimed at assisting low- and moderate-income borrowers. Berkshire expects to enhance these offerings in 2022 as it rolls out new solutions, including a down-payment assistance program and unique first-time homebuyer offering.



Small Business Lending

With the rollout of COVID-19 vaccines, communities across the country began reopening in early 2021 and ever-resilient small businesses once again did their best to be there for their customers as variants continued to wreak havoc with their plans and challenged their ability to adapt. All along, Berkshire Bank stood by its small business customers, providing support and guidance. In all, the Bank and its 44 Business Capital Division helped businesses secure \$1 billion in SBA Paycheck Protection Program (PPP) relief to help ensure main street remained open for business.



While our team focused on PPP forgiveness and helping some small businesses chart a path to viability and prosperity, it also worked with new businesses and those looking to expand. Berkshire and our 44 Business Capital Division provide a full suite of SBA and business banking solutions to help small businesses with their financing needs. And, as part of our BEST Community Comeback, we are enhancing our commitment to the small business community with plans to lend \$1.5 billion over the next three years. We will continue to collaborate with our network of nonprofit partners to provide technical assistance and coaching to set up small businesses for success. We're even providing pop-up retail space to small businesses that are just starting out through a unique partnership with Valley Venture Mentors and our Reevx Labs location in Springfield, Massachusetts.

We also continue to address the challenges for businesses owned by individuals in marginalized communities, partnering with the Black Economic Council of Massachusetts and the Massachusetts LGBT Chamber of Commerce to offer The Futures Fund, low-interest lines of credit up to \$50,000 to support BIPOC- and LGBTQIA+-owned businesses. We expect to expand this successful program in 2022 to help businesses thrive and create more jobs.



Initiative for a Competitive Inner City (ICIC) - Berkshire partners with ICIC to drive inclusive economic prosperity in under-resourced communities through innovative research and programs that create jobs, income and wealth for residents.

Community Development Lending and Investments

Berkshire is responsible for collaborating with local government, nonprofit, private sector and individual stakeholders to deploy its capital in a manner that helps unleash the potential of every community. We harness our expertise to catalyze economic development in urban and rural communities across our footprint through our community development lending and investment programs.

	Dollar value of all qualified community development loans originated	\$48MM
	Dollar value of all qualified community development loans outstanding	\$242MM
	Dollar value of all qualified community development investments held at year-end	\$149MM

Our community development lending program encompasses activities aimed at creating jobs, stabilizing and revitalizing neighborhoods and building stronger communities. The bank originated \$48MM in qualified community development loans in 2021, an increase of 60% from the prior year, as we focused on organic growth and delivering on our BEST Community Comeback. The Bank has a total outstanding balance of \$242MM for all community development

loans and through the Paycheck Protection Program in 2020, Berkshire made an additional \$72MM in eligible community development PPP loans.

The Company makes targeted investments and tax credit financing through federal and state programs, holding \$149MM in community development investments at year-end. These included investments in the Low-Income Housing Tax Credit and Historic Tax Credit programs helping to support projects such as the revitalization of Westerly Rhode Island's United Theatre and affordable housing development.

During our most recent Community Reinvestment Act (CRA) exam in 2018, the Bank had an overall rating of Satisfactory and was rated a Satisfactory for Community Development Lending and an Outstanding for Community Development Investments. Our CRA exam results and other formal and informal regulatory guidance help inform goal-setting and the Company's strategy. We will always look to meet all our communities' credit needs regardless of ZIP code or income.

Top 10 Commercial Industrial Credit Exposure by NAICS Industry 2021: FN-CB-410a.1

Wholesale Trade	\$538MM
Manufacturing	\$296MM
Real Estate and Rental and Leasing	\$260MM
Arts, Entertainment and Recreation	\$166MM
Health Care and Social Assistance	\$154MM
Retail Trade	\$144MM
Finance and Insurance	\$129MM
Professional, Scientific and Technical Services	\$107MM
Transportation and Warehousing	\$75MM
Administrative and Support and Waste Management and Remediation Services	\$71MM




Financial Wellness and Economic Inclusion

For more than 175 years, Berkshire has been a bank for everyone, regardless of wealth. From our founding to serve those working in textile mills and factories, to our vision today to be a leading socially responsible community bank in New England and beyond, we have been unwavering in our belief that good for some isn't good enough. Berkshire sets itself apart from its peers through a focus on exceptional customer experience that's driven by its **DigiTouch**SM commitment to combining extraordinary personal service with convenient, user-friendly technology enabled through leading fintech partnerships and outstanding performance on environmental, social and governance (ESG) matters.

The Bank offers a comprehensive suite of products and services designed to help foster economic mobility and bring the "unbanked" and "underbanked" into the banking system. We provide a rich offering of financial counseling to all our stakeholders through dedicated programming and partnerships, including our relationship with the nonprofit GreenPath Financial Wellness. These services are available in person from Berkshire Bankers, over the phone and through a dedicated financial wellness microsite. We strive to integrate financial wellness into our products and services, including our new Student Checking+ account that includes online resources that offer information, activities and conversation starters to help students build a strong foundation in financial education. We also continue to offer financial wellness events virtually to increase their reach and accessibility, impacting more than 246,000 people last year. When our customers run into financial challenges, we have their backs, referring them to our network of nonprofit partners, including GreenPath Financial Wellness, to get the counseling and the support they need to realize their full potential.

Our DigiTouchSM commitment is a defining tenet of our digital transformation and approach to financial inclusion, making banking available when, where and how customers want it. Berkshire has conveniently located branch offices, MyTellerSM Interactive Teller

	Number of individuals impacted by financial inclusion programming	246,335
	Number of low-/no-cost retail checking accounts	183,856



Machines and a new best-in-class digital online account-opening experience to make creating a new account from anywhere effortless, while improving fraud detection and risk-based decision-making. Our unique, complimentary MyBanker Program brings the bank to the customer based on their preference by providing a personal banker who leverages technology to deliver concierge financial services to customers, regardless of wealth, in-person, by phone and video conference.

Berkshire offers several no- and low-cost checking and savings accounts to young adults, senior citizens, the underbanked, active-duty military members and veterans and soon will offer a product for first responders. These solutions offer core banking services without extra fees, monthly or annual maintenance fees or minimum average balance requirements. In 2021, we received official certification from the national nonprofit Cities for Financial Empowerment Fund's Bank On National Account Standards for our MyFreedomTM bank account. The MyFreedom Berkshire Bank account is a safe, affordable and accessible bank account with no fees. We also offer MyCheck, which allows noncustomers to cash checks for significantly reduced fees and provides the opportunity to start a committed banking relationship.

Bank with Impact

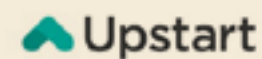
Our ecosystem of socially responsible financial solutions empowers upward economic mobility with a purpose.

- > **Socially Responsible Investment Portfolios**
- > **First-Time Homebuyer Programs**
- > **MyFreedom Checking**
- > **MyCheck Check Cashing Service**
- > **MyBanker**
- > **MyCommunity Home Equity Loan**
- > **Reevx Labs**



> Berkshire's investment to support emerging entrepreneurs, artists and small nonprofit organizations by providing them with access to technical assistance, professional development, financial education, products and services and pop-up retail space

> 49% of company volunteer activities supported financial wellness programming



> Partnering with Upstart, a leading artificial intelligence (AI) lending platform designed to improve access to affordable credit while reducing the risks and costs of lending



> Berkshire reinvests in its communities at a rate nearly 70% higher than the industry average

(Source: Mighty Deposits, a third-party comparison tool, helps the public better understand where their money goes after depositing at a bank or credit union.)

Responsible Banking

Business Ethics and Consumer Financial Protection

Overview

Berkshire works to uphold the highest ethical standards in all areas of our business through a combination of formal policies, procedures, employee training and governance mechanisms. The Company also works to ensure its customers and consumers are informed and protected from all types of financial malfeasance.

Berkshire maintains a [Code of Business Conduct and Employee Handbook](#), which applies to all company employees and operations. Employees must attest their adherence to the Code of Business Conduct upon beginning their employment and attest again annually. The Code covers topics such as bribery, corruption, insider trading, gifts, political activity, equal employment opportunity, conflicts of interest and more. Employees are required to complete annual training to ensure compliance with the Code and other applicable policies designed to protect consumers. We also have numerous other policies and procedures to help identify corruption and support a strong culture of compliance and apply across all operations.

Bribery and Corruption

Bribery and corruption are illegal and can expose employees, consumers and the Company to financial and other penalties, up to imprisonment, as well as cause significant reputational damage. Furthermore, Berkshire's Be FIRST values, vision, Code of Business Conduct and Employee Handbook set expectations for how employees should perform within the workplace. Berkshire's Code of Business Conduct and Employee Handbook include specific definitions for bribery, corruption and facilitating payments and lay out strict Anti-Bribery and Anti-Facilitating Payments provisions.



Whistleblower Programs

Our Anonymous Reporting Line and Whistleblower Policy establishes the standards and procedures to ensure that handling of any complaint related to violations of our Code of Business Conduct, any wrongdoing, including fraud or embezzlement, or any questionable, unethical or suspicious accounting or auditing matters complies with management's and the Audit Committee's objectives. The policy applies to all Company operations and employees. Employees receive annual training and regular communications across multiple channels, including a feature on the Company's intranet homepage that promotes access.

Upon receipt of a complaint, the Audit Committee chair or other Audit Committee designee will determine if the complaint pertains to Accounting Matters. If the complaint is determined to pertain to Accounting Matters, the Audit Committee chair or Audit Committee designee will submit the complaint to the full Audit Committee, which will then investigate the matter and take corrective action as warranted within the judgment of the Audit Committee with Human Resources assistance. If the complaint is determined to not involve Accounting Matters, the Audit Committee chair or Audit Committee designee may direct the complaint to other appropriate Board Committees, executive officers or employees of the Company and/or outside legal or other advisors to review and, if and as necessary, conduct an investigation for determining appropriate action.

Responsible Marketing and Advertising

Berkshire is committed to fair and transparent marketing practices and maintains strong relationships with its regulators. The Company promotes products, services and the Company in a transparent manner that is reflective of the diversity of its communities, building trust with consumers. The Company's comprehensive Marketing Advertising Policy, which applies to all operations, further outlines expectations for fair and responsible marketing, which includes transparent pricing information, use of clear and bold print and compliance with all regulations, including Unfair, Deceptive or Abusive Acts or Practices (UDAAP), Truth in Savings Act, Fair Housing Act, Equal Credit Opportunity Act, Truth in Lending Act, Fair and Accurate Credit Transactions (FACT) Act, The Interagency Statement on Retail Sales of Non-Deposit Investment and Insurance Products, Consumer Protection for Bank Sales of Insurance, CAN-SPAM Act of 2003 and many more. Our Compliance team reviews all marketing materials before their posting to ensure accordance with the appropriate regulations.

Sales Practices

As a commercial bank, Berkshire is subject to strict regulations for responsible sales and compensation practices. It may engage in sales and marketing programs to expand its business and offer financial solutions to existing or new customers to help them realize their financial goals. These activities are subject to numerous regulations, including the Federal Communications Commission's (FCC) Telephone Consumer Protection Act (TCPA) of 1991, the Federal CAN-SPAM Act of 2003 and the Junk Fax Prevention Act of 2005. It is also the intent that the Company will comply with all requirements of UDAAP (Unfair, Deceptive and Abusive Acts and Practices) through clear, concise and meaningful advertisements, disclosures and other sales and marketing collateral used in any sales solicitation program. Berkshire maintains a Sales Solicitation Policy that covers all employees and operations and governs all types of sales activities. All employees engaging in any type of sales solicitations are required to complete training to ensure compliance with all regulations, as well as the Company's socially responsible business practices and commitment to responsible product offerings.



Debt Collection

As a community-driven lending institution, Berkshire implements respectful and conscientious collection activities grounded in applicable law to preserve consumers' rights. This includes educating borrowers to maintain proper payment habits throughout the life cycle of a loan. Berkshire Collections teams always strive to be tactful and sympathetic to the borrowers' circumstances, while educating them on the importance of making payments and maintaining a good credit rating. Our Collections Department also partners with other lines of business and non-profit organizations to educate delinquent borrowers and help them build stronger financial habits.

Our Consumer Debt Collection Policy, which applies to the Bank's operations, helps ensure compliance with all applicable laws and ensures that our policies and procedures are guided by the Fair Debt Collection Practices Act. It is to the Bank's benefit, as well as the borrowers, to develop a relationship of understanding, trust and cooperation. Our Collectors always strive to offer mutually beneficial solutions and alternatives to rectify the borrower's delinquency within the shortest period of time, while also preserving bank safety and soundness requirements.

Bank Secrecy Act (BSA) and Anti-Money Laundering (AML)

As a financial institution, Berkshire must maintain comprehensive AML programs that include established internal policies, procedures and controls, a designated BSA/AML officer, an ongoing employee training program and testing of the program by an independent audit function. Money laundering is a by-product of drug trafficking, terrorism or other illegal activity. Because of this, it is the responsibility of the Board of Directors and all employees to not only comply with the requirements of the Bank Secrecy Act, but to be proactive in the prevention of these activities and vigilant in looking for activities at the institution that may constitute money laundering.

Berkshire maintains a Bank Secrecy Act/Anti-Money Laundering Policy designed to ensure compliance with all applicable regulations and laws as well as support strong risk management practices. The policy applies to all Company operations and includes our customer due diligence and identification program (Know Your Customer). Our employee training program includes provisions to ensure that all personnel, including senior management, who have contact with customers, who see customer transaction activity or who handle cash in any way, receive appropriate BSA/AML training at least annually. In addition, annually, our internal audit department, or a suitable vendor of their choosing, reviews the Bank's compliance with the Bank Secrecy Act and its BSA/AML policy. The Policy is reviewed and approved annually by applicable Committees and the Board of Directors.

Product Development and Oversight

We are committed to responsibly developing financial solutions to meet our customers' needs. Our Products and Services Development Policy creates a governance process for developing and implementing new, modified and enhanced products and services to ensure risks are identified, understood and managed. Proposed products are developed and implemented consistent with sound risk management practices and align with the Company's overall business plans and strategies. Proposed products also must encourage fair access to financial services and fair treatment of consumers consistent with the Company's Be FIRST values and applicable laws and regulations.

Risk management for new products and services is a shared responsibility of various stakeholders across the Company, including the full Board of Directors, Risk Management and Capital Committee of the Board, Enterprise Risk Management Committee, Products and Services Development Committee, Executive Management and Line of Business Owners. Our Products and Services Development Committee helps ensure our financial solutions are delivered consistently with our values, ethical standards, policies and practices. The committee oversees the assessment of the design, risks, profitability and viability of new, modified and expanded products and services. It also provides guidance and oversight during the due diligence and implementation of proposed products and services, as well as monitors results to ensure compliance with risk tolerances, diversification standards, strategic missions and regulatory requirements. All products undergo a thorough risk assessment, and Berkshire continuously monitors the social impact and risks of its portfolio of financial solutions to ensure it's protecting the best interests of its customers and communities. In addition, customer-facing employees receive training for all new products and services.



Customer Satisfaction

Berkshire views our customers' satisfaction as paramount to our success and, as such, has incorporated publicly disclosed measures and goals into our BEST plan to enhance our current performance. The Company's current Net Promoter Score, a measurement of customer loyalty that predicts business growth, puts it at approximately the 50th percentile for all banks in New England – and our goal is to be in the top quartile. To accomplish this objective, we have multiple programs in place to monitor, measure and evaluate customer satisfaction, as well as address and resolve any complaints brought to our attention.

In 2021, we further enhanced this work by engaging J.D. Power to complete an ongoing comprehensive survey of our customers' satisfaction with our in-branch and digital experiences. This partnership allows us to gain valuable insights into our customers' experience, monitor perceptions, evaluate performance and identify opportunity areas. Our customers shared several areas where they felt Berkshire could enhance its offerings, including customer communications, account options, branch locations and hours, digital channels and service. As a result, we are taking a number of steps to address these opportunities, including developing new programs, services, enhancing employee training and upgrading our customer communications. We expect that these collective actions will help improve our customers' experience and contribute to our culture of service excellence.

Another key dimension to how we deliver an exceptional customer experience is in the management of customer complaints. When we receive customers' complaints, we make sure to successfully address and resolve them as quickly as possible. The Board of Directors Compliance and Regulatory Committee provides Board-level oversight of the Company's complaint management process, which is managed by staff in our Compliance Department in close collaboration with all business lines. Complaints are written statements, including emails, letters, faxes, social media posts or verbal comments indicating dissatisfaction with a product or service. In some cases, regulations include specific steps to follow when a customer complaint is received. All business lines have a responsibility to respond to and resolve customer inquiries and complaints. All complaints are documented and tracked to ensure they are resolved to a high level of customer satisfaction. Our complaint management system also allows us to identify trends, elevate those trends and implement mitigating measures to address and ultimately reduce instances of dissatisfaction.

We experienced a slight decrease in the number of complaints in 2021, compared to the previous year. This is in part due to a return to more normalized pre-pandemic conditions in our markets and improvements we began to implement as part of our BEST plan. We continue to strive to resolve all complaints in a timely manner, and as of year-end, 99% of customer complaints were addressed.



Data Privacy, Cybersecurity and Fraud

Securing and protecting the personal and financial information of our customers is a top priority. As a community bank, the Company is subject to security and operational risks relating to the use of technology and cybersecurity risks, including denial of service attacks, ransomware, hacking and identity theft that could result in confidential disclosure information or the creation of unauthorized transactions. You can find detailed descriptions of these risks in our 2021 Annual Report Form 10-K Item 1A Risk Factors.

Our information and cybersecurity function is designed to mitigate these risks proactively. It includes a comprehensive Information Security Program containing technical, administrative and physical controls and additional policies, processes and procedures to assist with safeguarding information against unauthorized disclosure, modification or destruction. It will also help protect our information systems against unauthorized access, use, modification, destruction, loss, misuse, theft or denial of service.

- > Information Security Program
- > Acceptable Use Policy
- > Logging and Monitoring Policy
- > Security and Incident Response Policy and Plan
- > Vulnerability Management Program

The Information Security Program and all applicable policies apply to all Company operations and all employees receive annual training. Routine security assessments and audits are conducted on a minimum of an annual basis to ensure internal controls are adequate. Updates on the information security program are provided by management to the Risk Management and Capital Committee of the Board of Directors regularly, including three times in 2021.

The Company continually reviews and invests in new technologies and cybersecurity professionals to mitigate threats and adhere to regulatory requirements. Cybersecurity resources are dedicated to protecting the confidentiality, integrity, and availability of customer and financial data. Our business processes, policies and controls regarding customer data protection and privacy are subject to numerous laws and regulations, including Gramm Leach Bliley and Sarbanes-Oxley acts.

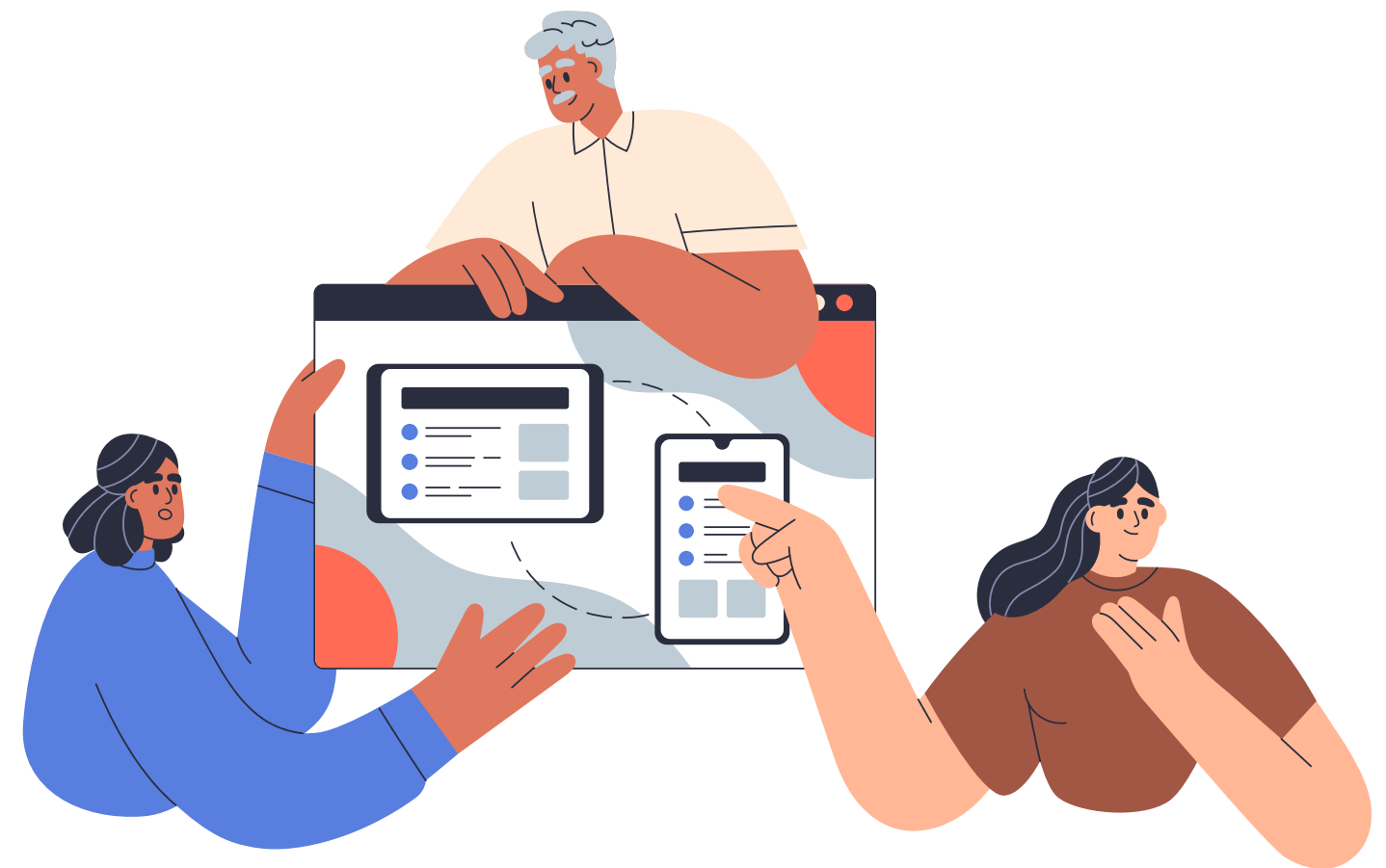


The Company has adopted the National Institute of Standards and Technology (NIST) Cyber Security Framework to help manage cybersecurity risk by organizing information, enabling risk management decisions and addressing emerging threats.

Our cybersecurity strategy includes:

- > A top-down focus on cybersecurity from our Board of Directors, Board Risk Management and Capital Committee and executive management to prioritize cybersecurity initiatives based on risk, emerging threats and Company objectives
- > Robust enterprise risk governance and oversight to enforce adherence to cybersecurity frameworks, policies and standards and to meet compliance initiatives and requirements to ensure proper data protection, including encryption of all data and clear policies governing access and control of data
- > Significant investments in “best in class” Information Security tool stacks and continuous security assessments to ensure proper risk mitigation based on emerging threats
- > Strong security controls on customer-facing applications, including Multifactor Authentication and fraud monitoring
- > Strong partnerships with industry-leading, third party security providers for system monitoring, threat intelligence and incident response, along with robust Third-Party Due Diligence practices that include ongoing monitoring of critical third-party service providers
- > Implementation of cybersecurity through investing in highly skilled talent and leveraging technologies to identify and mitigate existing and emerging threats
- > Promotion of cybersecurity through employee awareness and cybersecurity-related training focusing on email/internet security, social engineering and protecting customer information
- > Implementation of a comprehensive vulnerability management program to continually assess the threat and vulnerability landscape, along with leveraging industry-leading tools and intelligence to detect, evaluate, prioritize and track vulnerabilities through remediation
- > Comprehensive Cyber Insurance Policy to ensure coverage is in place to protect the bank, its employees, customers and shareholders
- > Collaboration with threat intelligence organizations, law enforcement agencies and partners to keep abreast of cybersecurity threats

If a data security breach is discovered, the Company has a comprehensive security incident response plan that includes notification of key authorities and stakeholders, including those impacted based on state and federal requirements. Potential corrective actions are taken to prevent a similar breach from happening in the future. The Company also maintains a business continuity program that addresses crisis management, business impact and data and systems recovery.



Privacy

Berkshire adheres to all federal and state regulations as they relate to the privacy and confidentiality of information supplied by individuals who obtain a financial product or service. The Company maintains a comprehensive Privacy Policy, which applies to all operations, to protect consumer and customer financial privacy and ensure that consumers and customers are informed and notified about the Company’s information-sharing practices. This includes a commitment to collect and process data that is limited to its stated purpose and collected through lawful and transparent means, a commitment to notify individuals in a timely manner in the event of a policy change or data breach and clear terms governing the collection, use, sharing and retention of data.

All employees are educated at least annually about the importance of consumer and customer confidentiality, information security and privacy. In addition, security procedures have been implemented that help prevent unauthorized access to consumer and customer information and will safeguard information that is exchanged with third parties in accordance with applicable laws and regulations, including the Graham-Leach-Bliley Act (GLBA) and the Federal Right to Financial Privacy Act (RFPA).


ESG Risk Management

We understand that social and environmental risks can lead to reputational, strategic and credit risks affecting both short-and long-term stakeholder value as well as our communities. Our approach to managing those risks is grounded in our Enterprise Risk Management program and integrates social and environmental considerations into our due diligence and business processes. This ensures we implement effective controls and programs to mitigate, monitor and manage those risks in a manner consistent with the size and complexity of our business.

Berkshire leverages several measures to ensure it is appropriately managing social and environmental risks, including formal policies that apply to all operations. These include the Company's Responsibility and Sustainable Business Policy, Environmental Loan Policy, Loan Policy General, Deposit Policy, Investment Policy and various credit and lending policies, which collectively help mitigate risks. In addition, Berkshire established a due diligence process for all its lending activities involving a standard and enhanced level of review depending on the nature of the business activity.

Standard due diligence is conducted for all transactions when social and environmental risks are well understood and expected to be relatively low, site-specific or completely reversible. All due diligence begins with frontline staff and involves credit, risk and lending teams. The process generally includes, but is not limited to, research, ensuring compliance with all federal, state and local laws and permits, assessment of creditworthiness and screening against all applicable company policies. If, during this process, staff determines the borrower or business activity poses heightened risk because it is subject to various company policies, an enhanced layer of due diligence is completed that involves additional teams, including Corporate Responsibility. Enhanced due diligence includes a deeper analysis of topics, documentation, assessments and risks related to the transaction to ensure the company understands the full scope of potential impacts. In some cases, a formal impact assessment is conducted to ensure a potential borrower has a track record, commitment, policies and procedures in place to minimize, manage, mitigate and monitor impacts, and the transaction is treated as an exception-based loan.

Due to the severity of social and environmental impacts associated with certain industries, Berkshire has no direct exposure to oil and gas extractors/producers or coal mining, among others, and generally will not do business with industries exposed to substantial social and environmental risks. This includes lending to firearms and ammunition manufacturers as well as private prisons. All employees receive annual training on the Company's Responsible and Sustainable Business Policy. Credit and Lending teams, along with business line employees, also receive training on social and environmental policies as well as goals impacting their responsibilities. Our approach focuses on protecting our stakeholders and communities, while supporting responsible risk-based decision-making and driving competitive returns.

	Percent of employees completing Corporate Responsibility Policy Training	98%
	Activities granted exceptions from Responsible and Sustainable Business Policy	0



Leadership and Governance

Board Overview

Our corporate governance practices guide us as we look to deliver on our vision to be a high-performing and leading socially responsible community bank in New England and beyond. The Company's Board of Directors is responsible for promoting and acting in the best interests of all stockholders of the Company. The Board is the ultimate decision-making body, except with respect to those matters reserved for stockholders. The business and affairs of the Company are managed by its officers under the direction of the Board. The Board's responsibilities include: nominating directors, selecting the CEO, succession planning, completing a periodic self-assessment and evaluating the performance of the CEO. Additional information on board meetings, attendance and tenure can be found in our 2022 Proxy Statement.

The Company maintains a formal shareholder engagement process to ensure the perspectives and views of its owners are regularly reviewed by the Board and senior management. This includes engagement on ESG matters such as diversity, climate change, sustainability and other social topics.

Board Composition and Committees

As of 2022 Proxy Board Nominees, the Board was comprised of 12 directors, 11 of which were independent. Each director brings a diverse background of skills, tenure, age and experiences that are necessary to oversee Berkshire's Exciting Strategic Transformation (BEST), exercise independent judgment and drive continued success. All members of the Board are up for annual election. Among the 2022 Director nominees, 25% (3/12) are women and 33% (4/12) are ethnic minorities – resulting in nearly 60% gender and ethnic diversity of the Board.

One of the responsibilities of the Board is to identify, evaluate and select director nominees. We assure the composition of our Board aligns with our long-term strategic direction. The Board periodically assesses the size of the Board and reviews the composition of its membership to assure that the appropriate knowledge, skills and experience are represented. During 2021, Board Chair J. Williar Dunlaevy retired from the board and Vice Chair David Brunelle was elected to the position of Board Chair. Since 2020, four new directors also joined the Board: Nina A. Charnley, Mihir A. Desai, Jeffrey W. Kip and Michael A. Zaitzeff, broadening the Board's expertise in support of BEST and strengthening its governance oversight. The average tenure and age of the Board have decreased in recent years and reflect the impact of Board policies for maximum tenure and age.

The Board maintains six standing committees comprised of directors and certain officers for the purpose of advising the Board on operational matters: Corporate Governance/Nominating; Corporate Responsibility and Culture; Compliance and Regulatory; Risk Management and Capital; Audit; and the Compensation Committee. The Audit, Compensation and Corporate Governance/Nominating Committees consist solely of independent directors.



Board Oversight of ESG

In order to drive forward our vision to be a leading socially responsible community bank, our Board of Directors and executive management understand the critical importance of ESG matters to our future success and the success of our stakeholders. That's why **we were one of the first banks in the country to establish a dedicated committee of our Board of Directors to oversee ESG matters.** The joint Corporate Responsibility and Culture Committee of the Board of Directors of Berkshire Bank and Berkshire Hills Bancorp, Inc., is responsible for overseeing the management of the Company's enterprise-wide Corporate Responsibility/ESG, Environmental Sustainability, Climate Change, Diversity, Equity and Inclusion and Culture programs. The Committee is appointed by the Board to approve policies and oversee management's implementation of programs.

In addition to the Committee, the full Board periodically receives presentations on Berkshire's ESG program, the BEST Community Comeback and other sustainability matters. The Board's oversight further enhances controls over ESG, alongside the Company's management-level ESG Committee, which includes members of the executive management team and monitors and approves strategies designed to identify, measure, control and enhance the Company's ESG/Corporate Responsibility performance.



Select Company Policies

- > Anonymous Reporting Line/ Whistleblower Policy
- > Bank Secrecy Act/Anti-Money Laundering Policy
- > Bank Security Program
- > Code of Business Conduct
- > Compliance Risk Management Policy
- > Community Reinvestment Act Policy
- > Corporate Governance Policy
- > Crisis Management Plan
- > Deposit Policy
- > Employee Handbook
- > Enterprise Risk Management Program
- > Fraud Risk Management Program
- > Hedging Policy
- > Information Security Program
- > Loan Policy
- > Marketing and Advertising Policy
- > Public and Media Relations Policy
- > Privacy Policy
- > Responsible and Sustainable Business Policy
- > Reputation Risk Management Program
- > Third-Party Risk Management Policy

Executive Compensation

Our philosophy is to provide an executive compensation program that rewards long-term value for our shareholders, promotes sound risk management and aligns with our vision of being a leading socially responsible community bank.

The key principles that support our philosophy are:

- > Attract and retain highly talented executives committed to our success
- > Pay for performance
- > Align executive interests with those of our shareholders
- > Manage risk through oversight and compensation design features and practices

Important features of our program are:

- > A significant portion of direct pay is variable and performance-based
- > A meaningful portion of pay is equity-based to align our executives with shareholder interests
- > The long-term incentive is 60% based on performance and 40% based on time

In addition to the principles noted above, Berkshire's compensation program incorporates ESG elements, including human capital management, diversity, equity and inclusion, corporate social responsibility performance and how the Company is meeting the needs of its communities.

Executive management is ultimately responsible for executing the strategy of the Company. In 2021, Berkshire announced Berkshire's Exciting Strategic Transformation (BEST), a multiyear plan to improve its financial performance and strengthen its community impact. Included as part of the five major goals were measures related to ESG performance and customer satisfaction.

Additional information on our executive compensation program for 2021 can be found in our 2022 Proxy Statement Compensation Discussion and Analysis. In 2022, Berkshire expects to further enhance its ESG-related performance objectives as part of compensation to align with its BEST Community Comeback strategy.

Risk Management and Compliance

Our Enterprise Risk Management (ERM) office, under the director of our Senior Executive Vice President, Chief Risk Officer, serves as the second line of defense, providing independent oversight and challenge of risk-taking activities of business units/the first line of defense. This includes risk governance, organization, culture, framework, risk appetite and development of a risk management platform to ensure appropriate monitoring and controls are in place. The ERM office monitors, aggregates, integrates and correlates risk information into a holistic picture of the corporation's risk profile. The ERM office also establishes policies, limits and reports sources and amounts of risk to executive leadership, management committees and the Board of Directors.

Berkshire maintains a comprehensive framework of management committees to provide oversight to all areas of the bank. Our Policy Committee, which reports directly to the Board's Risk Management and Capital Committee, regularly reviews and improves all major operational and risk policies to ensure they align with governance best practices, our values and the complexity of our operations. All our policies apply to all Company operations.

Compliance

The Compliance function, under the direction of our Senior Executive Vice President, Compliance and Regulatory, helps ensure the Company complies with the letter and the spirit of all federal and state laws and regulations that are applicable to its operations, including those involving civil rights, fair lending, community reinvestment and anti-money laundering. Adherence to compliance requirements limits the risk of legal and regulatory penalties, financial loss and damage to the Company's reputation. The Company operates under the premise that keeping customers informed and treating them fairly is good business. Our Compliance Program includes Oversight and Reporting, Written Compliance Policies and Procedures, Monitoring, Corrective Action, Training, Complaint Management, Change Management and Independent Audit and Risk Assessments. Employees are required to complete a suite of training courses based on their functional responsibilities.

Audit

Our internal audit department serves as a third line of defense evaluating the design and effectiveness of our risk framework and its results. The department helps provide assurance that risks are properly governed, identified, assessed and managed by the first and second lines of defense. Results are reported to the executive leadership and the board of directors according to our Internal Audit Policy. In 2021, the team completed nearly 19,000 hours of operational audits. Our internal auditors are required to obtain 40 hours of continuing education annually, including ethics and governance training. The EVP, Chief Internal Audit Officer is subject to an independence and objectivity review each year, performed by the Audit Committee. The Audit Committee of the Board also oversees our Anonymous Reporting/Whistleblower line and policy.



Human Capital Management

Berkshire's people are the core of its ability to deliver on its Berkshire's Exciting Strategic Transformation (BEST) plan and vision of being a high-performing and leading socially responsible community bank in New England and beyond. The Company's approach to human capital management is grounded in its Be FIRST values and focuses on:

- > Strong oversight and risk management practices
- > Recruitment
- > Compensation and benefits
- > Retention, training, development and engagement
- > Health and wellness

Oversight

The Board of Directors has ultimate responsibility for the strategy of the Company. The Compensation Committee of the Board of Directors oversees executive compensation matters, and the Corporate Responsibility and Culture Committee oversees company culture and diversity, equity and inclusion. The EVP, Chief Human Resources and Culture Officer provides management oversight to human capital matters. The Company proactively identifies potential human capital-related risks, such as the labor market shortage, rising labor costs and employee retention and designs strategies to mitigate those risks. Strong human capital management is viewed as integral to Berkshire's Exciting Strategic Transformation (BEST).



Recruitment

Berkshire operates in a highly competitive labor market with strong competition for top talent. To help power BEST, it relies on and continues to recruit employees with the right mix of skills, expertise and experiences. The Company leverages several strategies to support its talent pipeline and talent acquisition activities, including internship placements, affinity group relationships and the use of experienced recruiters for key management and specialized positions. Berkshire continues to pursue a hybrid work model to expand its access to top talent and provide its employees with workplace flexibility. These strategies have proven effective in meeting the demand for talent demonstrated by the Company's strong track record of attracting new talent across retail, commercial, wealth management, business banking and operational areas. In addition, as market disruptions from mergers remain, Berkshire will continue to leverage its differentiated brand and unique market positioning to hire community-focused bankers from its competitors.

Compensation and Benefits

While the labor market shortage and other factors can contribute to increased labor costs, Berkshire continually evaluates its strategies and looks at best practices to provide competitive pay and benefits packages that reward performance and retain top talent at all levels of the Company. The company offers comprehensive medical coverage, paid vacation, personal and sick time, paid protected leave for gender-based violence, a 401(k) plan with an employer match, long-term disability insurance and group term life insurance. In addition, we offer a day care reimbursement program, a dependent care expense account, family and medical leave and an employee assistance program. On top of our compensation and health benefits, Berkshire offers leaves of absences, flexible working arrangements, including the ability to set your hours and work fully remote dependent on the duties of one's job.

Our social responsibility commitment and purpose extend into our benefits as we offer paid volunteer-time off, a matching gifts program and the You FIRST Fund to help employees impacted by personal financial hardships. All our benefits are available to married same-sex or different-sex couples, as well as domestic partners. Nearly 99% of the workforce is eligible for benefits.

Retention, Training, Development and Engagement

Strong employee retention will help reduce expense, create efficiencies and contribute to the success of BEST. In addition to compensation and benefits packages, Berkshire employs a collection of strategies to strengthen employee retention. Berkshire conducts regular performance reviews with employees to identify strengths and areas for continued growth and development. These performance evaluations include qualitative and quantitative measures, as well as criteria that allow employees to describe how they demonstrate our Be FIRST values in alignment with our social responsibility and diversity, equity and inclusion commitments.



At a Glance

1,319 Employees

67% Women



Nearly 90% of Employees:

- > **Understand Berkshire's Be FIRST values**
- > **Feel their manager is accessible**
- > **Feel their manager treats them with respect**

The Company offers a menu of development and training programs consistent with one's job responsibilities and professional goals, including a mentoring program to pair high-potential junior employees with senior staff. Most programs are open to all employees based on job duties and roles. Berkshire continues to re-skill and upskill employees from across the Company to take on new responsibilities and roles. For employees looking to expand their professional experience in the classroom, the Company offers an education assistance program.

In 2021, Berkshire further enhanced its learning and development offerings by rolling out comprehensive leadership development programs for employees. Sessions included Managing Remote Teams, Communication and Active Listening, Emotional Intelligence, Driving Change and Team Building/High-Performing Work Teams. The Company also strengthened its commitment to creating a strong workplace culture by rolling out a comprehensive series of employee town halls, leadership roundtables and an employee engagement survey to identify strengths and opportunity areas within the organization. According to our survey results, in which more than 75% of the workforce participated, employees feel that people of all backgrounds can succeed, that they can be themselves at work, that there is a strong spirit of teamwork and that Berkshire genuinely cares for its communities. Action plans were developed in areas that did not meet the Company's high expectations. We expect to continue to enhance our efforts through intentional actions, including offering a new employee rewards and recognition program.

Like all businesses, Berkshire was impacted by labor market disruptions and, as a result, saw higher-than-average turnover. That turnover was primarily driven by entry-level positions in our retail banking branches, while turnover in other areas of the bank remained relatively low. To help combat these challenges in our retail banking environment, Berkshire has taken a number of actions, including rolling out new incentive plans, personal development plans, training, retention adjustments and providing more frequent opportunities to interact with management.

Health and Wellness

Like all businesses, Berkshire has been impacted by the ongoing COVID-19 pandemic and continues to proactively manage impacts to protect the health and safety of its employees, customers and communities, as well as retain and attract top talent. During the height of the pandemic, the Company provided protective equipment to frontline employees, including masks and gloves and offered all additional paid sick time, paid vaccine time, paid quarantine/isolation leave, job-protected personal leave, flexible work schedules for remote employees, premium pay for on-site employees and full pay for employees with reduced schedules as a result of the pandemic. The Company continues to maintain a largely hybrid working environment with the majority of non-branch staff working remotely at least part time.



You FIRST Employee Assistance Fund to help colleagues impacted by hardships

Future of the Workplace

Berkshire continues to evolve and enhance its human capital management strategies to help drive organizational growth in support of BEST, while combating risks, such as the labor market shortage and rising labor costs. The Company intends to continue to evolve its workplace model into a hybrid environment over the long term. Allowing our employees to work remotely has been successful, and productivity has remained high. In our hybrid model, some employees will continue to work remotely full time and come in as needed for meetings, team building, training, special events, etc., while others will divide their time between being in the office anywhere from one to four days a week. We are preparing for this new way of working by providing manager training, introducing hoteling software so employees can reserve space when they want to come into the office and enhancing technology. The hybrid model provides flexibility and is attractive to both our existing workforce and to candidates as we compete for talent.

We also plan to pursue our DigiTouchSM service delivery model, a powerful combination of personal service driven by bankers, combined with the convenience of user-centric technology, to deliver a superior customer experience. While technology will play a bigger role in the future of Berkshire, helping to improve processes and drive efficiency, people will always be at the core of our ability to deliver value to our customers and communities. The Company remains confident that the Berkshire brand, value proposition and socially responsible vision will continue to be a differentiator in the market and help overcome labor market disruptions.

Diversity, Equity and Inclusion

Creating a diverse, equitable and inclusive workplace is a critical component to the success of Berkshire's Exciting Strategic Transformation (BEST) and its BEST Community Comeback. At the core of Berkshire's strategy is a goal to ensure that its workforce reflects the communities in which it operates, that its employees feel that they are valued and can reach their full potential and that it leverages its core business to improve the access and affordability of financial solutions to support economic growth of underrepresented populations and communities.

Governance

The Company instituted a strong foundation of governance practices to ensure that diversity, equity and inclusion are embedded into Berkshire's business activities. This includes the Corporate Responsibility and Culture Committee of the Board of Directors, which has ultimate oversight responsibility. Berkshire's Diversity, Equity and Inclusion Committee, which reports to the Board Committee, provides additional management level oversight to the Company's programming and performance. To further strengthen those efforts in 2021, Berkshire named a Senior Vice President/Chief Diversity Officer.

Workplace

The Company continues to work to improve representation within its workplace, leveraging a combination of strategies. Berkshire identifies opportunities in targeted markets and business lines, develops deeper partnerships with nonprofit organizations and affinity groups and uses external recruitment professionals to ensure it receives candidate pools that reflect the rural and urban communities in which it operates. In addition, the Company regularly reviews the gender and ethnic diversity of its workforce at the employee, manager and executive management level. Based on those reviews, the Company looks to improve representation of ethnic minorities and women at each level of the organization using a combination of strategies and practices to always ensure the workforce reflects the communities we serve.

Equal Opportunity and Pay Equity

Berkshire Bank is an Equal Opportunity Employer and always has pursued a policy of equal employment for all of its employees and applicants for employment, without regard to genetic information, race, color, ancestry, citizenship status, religion, sex (including pregnancy), sexual orientation, marital status, familial status, gender identity and expression, national origin, age, physical or mental disability, status as a disabled or Vietnam Era veteran of the United States Armed Forces, being a member of the Reserves or National Guard, or status in any group protected by federal, state or local laws. The Company strives to further its commitment to equal employment opportunity by recruiting, hiring, compensating, training and promoting staff members in all job classifications without regard to an employee's inclusion in one of the categories delineated above.

Berkshire, like all businesses, has been impacted by the labor market disruptions and saw higher than average turnover within the organization, including among

women. Based on our equal opportunity hiring practices and recruitment strategies, we expect to reverse that trend as we head through 2022. To further support our collective efforts, Berkshire regularly completes a review of pay and performance measures to ensure that all employees, regardless of gender and ethnicity, in comparable roles are compensated equitably.

Employee Resource Groups

In addition, Berkshire offers seven Employee Resource Groups (ERGs), each playing an integral role for employees and the culture of the company. Every Employee Resource Group provides a safe space for dialogue, education and collective action on topics relevant to their members and the Company. Through the ERGs, employees' concerns and ideas to strengthen Berkshire's culture are elevated to members of management and the Diversity, Equity and Inclusion Committee for action, empowering employees to collectively be engines of positive change within the workplace. In addition, our ERGs help the Company facilitate important cultural shifts, update policies, host important cultural heritage events and attend affinity group job fairs, supporting business goals while creating a more inclusive workplace.

Education and Training

Berkshire provides a full suite of diversity, equity and inclusion trainings to build understanding and provide employees with strategies they can put into practice. These trainings include "Creating a Culture of Belonging," "Navigating Bias" and "The Art of Allyship." All new hires complete this suite of trainings as part of the new hire onboarding process. In addition, Berkshire rolled out a new immersive interactive training, "Anti-Bias and Inclusive Leadership," to help employees translate concepts they learned about in foundational trainings into practice. These training sessions were conducted virtually using a group model with distinct versions available to employees and people managers. All employees are expected to complete diversity, equity and inclusion training annually. The trainings form the basis for more inclusive recruitment, hiring and retention strategies going forward.

Supplier Diversity

A diverse base of third-party partners is important to achieving our operational goals, supply chain resilience and vision. We look to have a third-party base that reflects our communities and, to the maximum extent possible, ensure the fair inclusion and utilization of minority-owned, women-owned and traditionally underrepresented third parties in our procurement of products and services. We encourage employees to seek out potential third parties and facilitate connections with underrepresented suppliers. As we continue to build on our efforts and integrate them directly into our new strategic sourcing and procurement function, we'll leverage community partnerships, including the Boston Chamber of Commerce's Pacesetters initiative, which looks to increase the number of diverse third-party suppliers across the state of Massachusetts, as well as the Greater New England Minority Supplier Development Council.



Diversity, Equity and Inclusion at A Glance

Percent of Women in Workforce	67%
Percent of Ethnic Minorities in Workforce	15%
Percent of Women on the Board	25%
Percent of Ethnic Minorities on the Board	33%
Percent of Women in Manager Roles (Officer+)	53%
Percent of Ethnic Minorities in Manager Roles (Officer+)	10%
Percent of Women in Executive Management	46%
Percent of Ethnic Minorities in Executive Management	23%
Percent Disabled in Workforce	3%

* Board metrics based on 2022 Board nominees.



Supplier Diversity*

- > Minority Owned 3%
- > Women Owned 11%
- > LGBTQIA+ 1%
- > Veteran Owned 3%
- > Disability Owned <1%
- > Small Business 48%

*Supplier diversity figures are based on third parties who completed a Third-Party Control Assessment.

Community

Investing in What Our Communities Can Be – Corporate Giving and Berkshire Bank Foundation

We are investing in the future of our communities to help those living and working across our markets experience a better tomorrow. Overall, we invested \$3.7MM in our communities in 2021, including \$2.7MM in philanthropic grants through Berkshire Bank Foundation. The Foundation aims to provide the opportunity for everyone to flourish, especially populations that have been disproportionately and unfairly underserved. The Foundation focuses on three areas to achieve its mission of supporting programs that aim to provide everyone equal opportunity for economic prosperity:

- > Small business – providing support to entrepreneurship and small business growth through access to education, capital and technical assistance with an emphasis on greater access to minority-, women and LGBTQIA+- owned businesses
- > Financial inclusion – supporting programs that create a path to upward economic mobility and overall well-being with an emphasis on the “underbanked” and “unbanked” populations.
- > Housing – facilitating access to quality, affordable housing to help individuals and families attain financial stability and long-term accumulation of wealth, including pathways to first-time homeownership for people of color, women and other marginalized communities.

Through our BEST Community Comeback, we expect to increase our contributions to the community to a total of \$15MM by the end of 2024. In addition to our philanthropy, our Foundation provides 40 \$2,500 scholarships to high school seniors, college students and adults looking to pursue a higher education.

Volunteerism

As the economy began to rebound in fits and starts in 2021, seesawing with emerging COVID-19 variants, Berkshire was there as a welcome constant, serving our communities. Through our award-winning and nationally acclaimed employee volunteer program, the XTEAM, Berkshire Bankers gave back to the communities we serve in as many ways as there are varied needs. From individual- and group-based volunteer engagements to pro bono and Board service, the XTEAM empowers employees to be change agents to address essential needs and help organizations run more effectively. While our signature annual event, Xtraordinary Day, where we close our offices early and ask every employee to spend the time volunteering, took place virtually again in 2021 out of an abundance of caution around COVID-19, we still saw more than 75% of employees participate. Overall, 82% of employees participated in our volunteer program, nearly 2.5 times the national average, contributing over 14,500 hours of community service. Berkshire plans to build up its employee volunteer efforts to accelerate positive change in its community through its BEST Community Comeback, where it expects to contribute the equivalent of \$3MM in donated volunteer time over the next three years.



2021 Impact



\$2.7 million
in foundation grants



\$3.7 million
in community contributions



619
organizations supported



78%
of grants benefit low-moderate
income communities



82%
employee volunteer participation



Environmental Sustainability

Climate Change and Natural Resource Management

Overview

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 Taskforce on Climate-Related Financial Disclosure (TCFD) recommends companies communicate practices around the governance of environmental matters, strategy, risk management and metrics and targets used to assess risks, opportunities and Company performance. Berkshire's Climate Change disclosure contained below is aligned with TCFD recommendations. The Company continues to evolve its practices to reflect its community bank mission, as well as the size, scope and complexity of its operations.

Governance

Berkshire is actively managing climate-related risks and opportunities at a board, management and employee level. The Company's Board of Directors Corporate Responsibility and Culture Committee provides oversight to environmental sustainability and climate change. All business risks are also integrated into our Enterprise Risk Management program and discussed by other applicable Board Committees, including the Risk Management and Capital Committee. Both Committees report to the full Board.

Berkshire enhanced its governance over material environmental matters in 2021 by formalizing an Environmental, Social and Governance Management Committee chaired by its SVP, Corporate Responsibility and comprised of senior executives, including the CEO, COO, CFO, Chief Risk Officer and Chief Compliance Officer. The Committee reviews risks to ensure appropriate mitigating controls and discusses opportunities the Company may pursue. Collectively, management is responsible for the line of business functions and integration of sustainability activities within their respective departments, including implementing programs, policies and management systems. Our Responsible and Sustainable Business Policy guides our codes, principles and commitments, including our Environmental Sustainability Principles, which govern our operations.

Risk Management

The Company utilizes its Enterprise Risk Management (ERM) program along with its Corporate Responsibility function to identify and assess existing and emerging climate risks. Each business area considers climate-related risks and opportunities within their scopes of responsibility. In addition, an enterprise-level climate risk assessment is completed annually. Berkshire's Climate Change Risk Assessment evaluates the bank's operations and lending activities for potential exposure to transition and physical risks resulting from climate change.

Berkshire leverages several measures to ensure it is appropriately managing climate-related risks, including formal policies which apply to all operations. These include the Company's Responsibility and Sustainable Business Policy, Environmental Loan Policy, Loan Policy General and various credit and lending policies that collectively help mitigate risks.

In addition, Berkshire established a formal due diligence process for its business activities, which applies to all operations. Standard due diligence is conducted for all transactions when risks are well understood and expected to be relatively low, site specific or completely reversible. All due diligence begins with frontline staff and involves credit, risk and lending teams, and enhanced due diligence involves additional teams, including Corporate Responsibility. The process generally includes, but is not limited to, research, ensuring compliance with all federal, state and local laws and permits, assessment of creditworthiness and screening against all applicable company policies. If, during this process, staff determines the borrower or business activity poses heightened risk because it is subject to various company policies, an enhanced layer of due diligence is completed. Enhanced due diligence includes a deeper analysis of topics, documentation, assessments and risks related to the transaction to ensure the company understands the full scope of potential impacts. In some cases, a formal impact assessment is conducted to ensure a potential borrower has a track record, commitment, policies and procedures in place to minimize, manage, mitigate and monitor impacts.

Due to the severity of climate impacts associated with certain industries, Berkshire has no direct exposure to oil and gas extractors/producers or coal mining, among others, and generally will not do business with industries exposed to substantial climate risk. Further information on the Company's due diligence processes can be found at berkshirebank.com/csr.

Strategy

Utilizing its climate change risk assessment, as well as widely used climate scenarios, Berkshire evaluates the bank’s operations and lending activities for potential exposure to transition and physical risks resulting from climate change. These transition and physical risks could result in reputation risk over the short term (<5 years) and potentially strategic and credit risks over long term (11+ years) horizons absent of mitigating controls and programs. The results of the risk assessment are shared with business line partners to discuss mitigating activities, as well as appropriate management and board committees in alignment with our governance framework.

Physical Risk: Total Exposure of Residential and Commercial Properties Located in Areas Prone to Some Level of Physical Risk (Flooding)

Portfolio	Total Exposure	% of Total Portfolio
Commercial Real Estate	\$465MM	22% (CRE)
Residential Mortgage	\$4.7MM	<1% (Mortgage)

Climate Risk Heat Map and Credit Exposure of Berkshire’s Commercial and Industrial (C and I):

Sector	Total Exposure (\$)	% of Total C and I Portfolio	Transition Risk	Physical Risk
Real Estate	\$135MM	11%	Medium	Medium-High
Utilities	\$56MM	5%	High	Medium
Transportation	\$28MM	2%	Medium-High	Medium-Low
Insurance	\$64MM	5%	Medium	High
Mining	\$160M	<1%	High	Medium
Oil and Gas Extraction/Refining/Pipeline	\$0	0%	High	High
Oil and Gas Distribution (Gas Stations)	\$11MM	<1%	High	Medium-High
Agriculture	\$3MM	<1%	Medium	Medium

**Dollars reported are as of risk assessment date 10/31/2021. The loan population for this assessment looked at Berkshire’s C and I portfolio at the industry level using the North American Industry Classification System (NAICS). It focused on industries most vulnerable to transition risk. Industry aggregations may differ from other reporting based on scope and data requirements unique to climate analysis. Highest risk exposure was further broken down by subindustry where appropriate.*

Risks

Our assessment processes primarily look at the two main sets of climate risks; transition and physical risk and its impacts over short-<5 years), medium-(5-10 years) and long-term (11+ years) horizons on borrowers and the bank.

> **Transition Risk** is the risk that occurs with the movement toward lower carbon, greener energy systems and economies as the world reduces its reliance on fossil fuels and other carbon-intensive industries. Regulation, policy, changing consumer behaviors and new technologies could lead to increased energy and/or operating costs for certain industries, as well as a reduced demand for their services.

For borrowers, over the long term, this could result in potential credit rating impacts, financial impacts as a result of changing consumer preferences and the inability to maintain financial obligations. For the Bank, over the long term, this could create increased operating costs, stranded assets, uncertainty of residual values and potential loan losses, as well as over the short term reputational impacts if the bank is perceived as not supporting the transition to a greener economy. Approximately 6% of Berkshire’s C and I portfolio is exposed to the highest level of transition risk over the long term.

> **Physical Risk** is the direct effect of more frequent extreme weather-related events or changing weather patterns on a physical asset or property such as homes or commercial real estate. This could include damages to the physical asset up to and including full loss or increased costs to maintain, operate and protect the asset. Examples include more frequent flooding in low-lying areas or damages from severe weather events.

Increased costs could potentially impact a borrower’s ability to repay financial obligations as well as devalue the physical asset. In turn, this could lead to potential loan losses for the bank and an inability to fully recoup funds due to uncertain residual values over long-term horizons. Approximately 1% of Berkshire’s residential lending portfolio and 22% of its commercial mortgage portfolio could be exposed to varying levels of physical risk, most notably flooding. These risks are partially addressed through insurance requirements.



Opportunities Ahead

At Berkshire, our purpose is to empower the financial potential of all individuals in our communities. We see our role addressing climate change and financing the transition as one way in which we fulfill that purpose. Recognizing the opportunities across sectors to power the transition to a lower-carbon economy, Berkshire recently announced a goal to lend and invest \$300MM in low-carbon projects over the next three years as part of its BEST Community Comeback. In addition, we believe that Berkshire is equipped to build resilience in our communities and across our own operations in three key areas:

1. Improving our own operational performance by accelerating our Greenhouse Gas (GHG) reduction targets, reducing energy consumption, increasing our use of renewable energy, reducing surplus real estate holdings and strengthening the integration of climate change matters into additional business processes.
2. Growing our business to harness the momentum of the low-carbon transition through financing renewable electricity generation, green building development, socially responsible investing (SRI) portfolios and more, which complement existing environmentally conscious financial solutions, such as our MassSave® Heat Loan.
3. Helping our customers and partners become more climate resilient by sharing our expertise and expanding financial solution offerings.

Berkshire regularly assesses opportunities as part of its normal business operations and strategic planning to ensure it's appropriately sourcing, evaluating, integrating and capitalizing on opportunities as market demand and government policy shift and risk-mitigating strategies strengthen.

Metrics and Targets

The Company is conscious of the impact of its own operations on the environment and works diligently to measure, monitor and mitigate its direct and indirect environmental impacts. To set the foundation for future progress, Berkshire is pleased to share its full Scope 1 and 2 Greenhouse Gas (GHG) inventory and limited operational Scope 3 inventory. As the company continues to mature its program, we expect to disclose additional metrics and targets, including Scope 3 emissions and financed emissions, which we expect to be the most significant source of GHG emissions within our inventory.

Berkshire has set targets to help finance the green transition with a goal of \$300MM for low-carbon projects and set targets to reduce its GHG emissions by the end of 2024. We also previously committed to sourcing 100% of our electricity from renewable sources, including solar and wind, and are well on track to achieve that goal through virtual net metering, power purchase agreements and greening of the grid. As of year-end 2021, 53% of the Company's electricity is from green sources. While our total electricity usage decreased by roughly 3% year over year, the percentage of green electricity decreased primarily due to legacy power contracts. As these contracts expire, Berkshire is moving those supplies to green alternatives and expects to significantly increase its use of green energy in 2022.

Electricity Use by State

State	Percent Renewable	Total Use (MWh)
MA	3%	5,069
CT	100%	1,386
RI	100%	410
VT	90%	227
NY	100%	2,603
NJ	100%	570
PA	100%	190

The Company has continued to reduce its Scope 3 impacts of purchased goods, including paper usage, by 74% from its 2014 baseline, although it was impacted by supply chain disruptions that affected its ability to source recycled as well as SFI and FSC products. It expects its paper consumption to return to recycled SFI and FSC certified papers in 2022. In addition, we've undertaken a real estate optimization effort to further reduce our environmental footprint, as well as implemented a 100% virtual network in our branches that decreases energy usage, enhances our security posture and increases uptime to better serve our customers. Collectively, these efforts will drive further reductions in GHG emissions.

Berkshire's Next Steps

As a Bank founded more than 175 years ago, our heritage will continue to guide us as we move further along in our climate journey. We expect to continue to enhance our plans, programs and initiatives to reduce our emissions, as well as capitalize on the many business opportunities arising from the transition to a lower-carbon economy. In the future, we expect to complete a more detailed scenario analysis, quantify our total Scope 3 emissions, continue to formalize our climate risk management program and begin to develop a plan to achieve net zero and eventually become a net-positive organization.

Greenhouse Gas (GHG) Inventory

	Consumption (2021)	Unit	2020 Emissions (TCO2E)	2021 Emissions (TCO2E)	Percentage of 2021 Total
Scope 1: Direct GHG Emissions					
Natural Gas	316,597.5	thm	1,758.7	1,681.6	49%
Propane	24,118	thm	114.7	152.2	4%
Oil	4,029	thm	27.1	30.1	1%
Total Scope 1	344,744.5	thm	1,900.5	1,863.9	54%
Scope 2: Indirect GHG Emissions from Purchased Electricity					
Electricity; Renewables	5,513	MWh	0	0	0%
Electricity; Grid	4,941	MWh	842.1	1,182.3	34%
Total Scope 2	4,941	MWh	842.1	1,182.3	34%
Scope 3: Other Indirect Emissions			2020 Emissions (TCO2E)	2021 Emissions (TCO2E)	Percentage of 2021 Total
Category 1: Purchased Goods/Paper			34.7	29.6	1%
Category 5: Waste			346.8	374.8	11%
Total Scope 3			381.5	404.4	12%
Total 2021 GHG Emissions: 3,450.6 TCO2E					



Awards and Recognition

It is not our goal to receive accolades, but it is our hope that the recognition we have earned might mean we are doing something right.

American Bankers Association Community Commitment Award

Economic Inclusion: Honorable Mention

Best of the Berkshires

Best Mortgage

Best Places to Work for LGBTQ+ Equality - Human Rights Campaign Corporate Equality Index

Perfect Score 2022, 2021

Bloomberg Gender-Equality Index

2022, 2021, 2020

Forbes: America's Best Banks

Albany Business Review Leaders in Diversity, Equity and Inclusion

Communitas Awards

International Leadership Award for Corporate Social Responsibility and Community Service - 2021, 2020, 2019, 2017

Boston Business Journal

Top Charitable Contributor - Ninth straight year



Appendix

ESG Scorecard

Topic	Measure	Prior Result	Current Result
Financial Access and Affordability			
Homeownership	Dollar Value of Mortgages Originated	\$278MM	\$240MM
Small Business Lending	Dollar Value of Loans Outstanding to Support Small Businesses	\$773MM	\$342MM
	Number of Loans Outstanding to Support Small Businesses	9,958	5,080
	Number of Small Business Loans Past Due	249	165
	Dollar Value of Small Business Loans Past Due	\$17MM	\$9MM
	Dollar Value of all Qualified Community Development Loans Originated	\$30MM	\$48MM
Community Development Lending and Investments	Number of Community Development Loans Outstanding	77	70
	Dollar Value of all Qualified Community Development Loans Outstanding	\$265MM	\$242MM
	Number of Community Development Loans Past Due	0	0
	Dollar Value of Community Development Loans Past Due	\$0	\$0
	Dollar Value of Qualified Community Development Investments Held at Year-End	\$141MM	\$149MM
Financial Wellness and Economic Inclusion	Number of Individuals Impacted by Financial Wellness Programming	86,411	246,335
	Number of Low-/No-Cost Retail Checking Accounts	182,635	183,856
Responsible Banking			
Business Ethics and Consumer Financial Protection	Percent of Employees Completing Ethics or Code of Conduct Training	100%	N/A*
	Code of Business Conduct	Available Online	
	Whistleblower Policy/Anonymous Reporting Line	Available Online	
	Privacy Notice	Available Online	
	Online Privacy Notice	Available Online	
Customer Satisfaction	Number of Customer Problems Referred to Our Complaint Center	2,644	2,607
	Percent of Customer Problems Addressed at Year-End	97%	99%
Data Privacy, Cybersecurity and Fraud	Number of Cyber Breaches	Not disclosed	Not disclosed
	Percent of Employees Completing Information Security and Fraud Training	100%	100%
	Number of Information Security Presentations to Board/Board Committee (Annually)	NEW	3
ESG Risk Management	Number of Transactions Granted Exceptions from Responsible and Sustainable Business Policy (ESG)	0	0
	Percent of Employees Completing Corporate Responsibility Policy Training	99%	98%
	Responsible and Sustainable Business Policy	Available Online	
	ESG Risk Management Overview	Pg. 14 and online at berkshirebank.com/csr	

Topic	Measure	Prior Result	Current Result
Leadership and Governance			
Board of Directors	Corporate Governance Policy**	Available Online	
	Number of Board Directors**	13	12
	Number of Independent Directors**	11	11
	Percent of Women On Board**	15%	25%
	Percent of Ethnic Minorities On Board**	15%	33%
	Board Committees	Committee Charters Available Online: Corporate Governance/ Nominating; Corporate Responsibility and Culture; Compliance and Regulatory; Risk Management and Capital; Audit Committee; Compensation Committee	
Risk Management and Compliance	CRA Rating	Satisfactory	Satisfactory
	Number of Hours of Compliance Training***	18,483	7,820
	Number of Hours of Operational Audit	22,441	18,992
Human Capital Management			
Recruitment, Retention, Training, Development and Engagement	Total Number of FTEs	1,505	1,319
	Total Employee Count	1,543	1,347
	Number of Full-Time Employees	1,467	1,291
	Number of Part-Time Employees	76	56
	Number of Temporary Employees	32	18
	Retention Rate	85%	64%
	Turnover Rate	20%	31%
	Voluntary Turnover	16%	28%
	Involuntary Turnover	4%	3%
	Promotion Rate	16%	23%
	Average Tenure (Years)	8.4	6.8
	Average Age (Years)	43	43
	Percent of Employees Completing Online/Classroom Training	100%	100%
	Minimum Wage (P/Hr)	\$15	\$15
Percent of Employees Covered by Collective Bargaining Agreements	0	0	

*Board metrics based on 2022 Board nominees.

**Due to the timing of the Code of Conduct course assignment, this information will be provided in the next reporting cycle.

***Total hours reflect actual duration of time spent completing trainings. Prior year's results used course estimates.

ESG Scorecard

Topic	Measure	Prior Result	Current Result
Human Capital Management			
Diversity, Equity and Inclusion	Percent of Women in Workforce	68%	67%
	Percent of Women in Manager Roles (Officer+)	53%	53%
	Percent of Women in Executive Management (EVP+)	45%	46%
	Percent of Ethnic Minorities in Workforce	14%	15%
	Percent of Ethnic Minorities in Manager Roles (Officer+)	9%	10%
	Percent of Ethnic Minorities in Executive Management (EVP+)	9%	23%
	Percent of Disabled in Workforce	2%	3%
	Gender Pay Equity	Annual Review	Annual Review
	Percent of Employees Completing Diversity, Equity, Inclusion and Bias Training	100%	97%
Health and Wellness	Percent of Employees Eligible for Benefits	99%	99%
	Number of Workplace Accidents	32	17
	Number of Workplace Fatalities	0	0
Community			
Community Investments	Number of Nonprofit Organizations Supported	507	619
	Dollars Granted by Foundation to Nonprofit Organizations	\$4MM	\$2.7MM
	Percent of Contributions Benefiting Underresourced Populations	81%	78%
	Total Dollar Value of all Community Contributions	\$5.1MM	\$3.7MM
	Percent of Employee Participation in XTEAM® Volunteer Program	80%	82%
	Number of Hours of Volunteer Service	13,250	14,584
	Number of Company Volunteer Events	98	69
Environmental Sustainability			
Energy and Natural Resource Management	Number of Environmental Fines	0	0
	Amount of Paper Recycled	.907 tons	199 tons
	Percent of Company Electronics Recycled	100%	100%
	Percent of Sustainably Harvested and Environmentally Conscious Paper	75%	5%
	Percent of Paper Reduction (from 2014 Baseline)	65%	74%
	Total Electricity Usage (Mwh)	10,724	10,454
	Total Renewable Electricity Usage (Mwh)	6,542	5,513
	Total Nonrenewable Electricity Usage (Mwh)	4,182	4,941
	Percent of Nonrenewable Electricity Usage	39%	47%
	Percent of Renewable Electricity Usage	61%	53%
Climate Change	Lending to Low-Carbon Projects	NEW	\$30MM
	Scope 1 GHG Emissions (TCO2E)	1,900.5	1,863.9
	Scope 2 GHG Emissions (TCO2E)	842.1	1,182.3
	Scope 3 GHG Emissions (TCO2E)	381.5	404.4

Task Force on Climate-Related Financial Disclosures (TCFD) Index

Topic	Berkshire's Response
Governance	
Describe the board's oversight of climate-related risks and opportunities	"Climate Governance" pg. 21 of this report
Describe management's role in assessing and managing climate-related risks and opportunities	"Climate Governance" pg. 21 of this report
Risk Management	
Describe the organization's processes for identifying and assessing climate-related risks	"Risk Management" pg. 21 of this report
Describe the organization's processes for managing climate-related risks	"Risk Management" pg. 21 of this report
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	"Risk Management" pg. 21 of this report
Strategy	
Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	"Strategy Risks and Opportunities" pg. 22-23 of this report
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	"Strategy Risks and Opportunities" pg. 22-23 of this report
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	"Strategy Risks and Opportunities" pg. 22-23 of this report
Metrics and Targets	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	"Metrics and Targets" pg. 23 of this report
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	"Metrics and Targets" pg. 23 of this report
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	"Metrics and Targets" pg. 23 of this report





This document contains forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995). There are several factors that could cause actual results to differ significantly from expectations described in the forward-looking statements. For a discussion of such factors, please see Berkshire's most recently filed reports on Forms 10-K and 10-Q, which are available on the SEC's website at www.sec.gov. Berkshire does not undertake any obligation to update forward-looking statements.

Banking products are provided by Berkshire Bank: Member FDIC. Equal Housing Lender. Berkshire Bank is a Massachusetts chartered bank.

Investment products are NOT FDIC-INSURED, are NOT A BANK DEPOSIT, NOT GUARANTEED BY THE BANK, NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY and MAY LOSE VALUE.