

Responsible & Sustainable Business Policy

Policy Statement:

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

The Company seeks to financially empower its communities and help all individuals realize life’s exciting moments. It strives to be a good corporate citizen and recognizes the importance of operating in a socially and environmentally responsible manner grounded in its Be FIRST values and aligned with its Code of Business Conduct and the expectations of employees, customers, shareholders, regulators, suppliers and communities at large (collectively, “stakeholders”). The Company’s Responsible & Sustainable Business Policy goes beyond basic compliance by outlining additional commitments, principles and expectations. This policy empowers employees to act in accordance with the Be FIRST values and the commitments set forth to ensure the Company operates responsibly inclusively and sustainably to be the premiere 21st century community bank.

Policy Committee Approval Date

8/28/2019

Corporate Responsibility & Culture Committee Approval Date

9/18/2019

BHLB Board of Directors Approval Date

10/24/2019

Supersedes Policy Dated

N/A

Area Name:

Roles & Responsibilities

Area Statement:

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

Corporate Responsibility & Culture Committee (“CRCC”): In conjunction with the Board, the CRCC shall set the tone for the overall corporate responsibility, sustainability and culture of the Company. The CRCC is

responsible for overseeing the Company's corporate responsibility and culture performance, including environmental sustainability. The committee is appointed by the Board, in part, to review and approve such Company policies as delegated by the board including the Responsible & Sustainable Business Policy and management's implementation of systems designed to identify, measure, monitor, control and report on the Company's corporate responsibility and culture performance.

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

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

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

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

Area Name:

Responsible & Sustainable Business Culture

Area Statement:

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

Belonging fosters an environment where all relationships matter

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

Focusing on a positive attitude and everything else will follow

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

Inclusion invites openness and builds belonging

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

Respect cultivates an unyielding commitment to integrity and responsibility

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

Service quality should be delivered regardless of income or wealth

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

Teamwork empowers collaboration and cooperation

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

Area Name:

Responsible & Sustainable Business Commitments

Area Statement:

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

- **Human Rights:** Ensure respect for basic human rights including life, liberty, expression and equality. The Company has no tolerance for and protects against workplace harassment, abuse, discrimination and violence. The Company acts with due diligence to avoid infringing on the rights of others and to address any negative impacts, complying with the Universal Declaration of Human Rights and the UN Guiding Principles for Business & Human Rights.

- **Ethics:** Commit to an environment of trust, fairness, good governance and to hold itself to high standards of integrity. Employees adhere to the [Company's Code of Business Conduct](#) and all laws. When employees are unsure, they use the Company's Be FIRST values as their guiding principle. The Company encourages its third party providers to have guidelines in place that define organizational expectations relating to the ethical, moral and legal behaviors of their employees.
- **Regulatory Compliance:** Comply with all federal, state and local government regulations in all its business activities. The Company works proactively to maintain a strong and consistent culture of compliance. Employees are required to complete mandatory compliance trainings on-time to ensure the Company is continually learning and maintaining a high level of knowledge of the regulatory environment.
- **Diversity & Inclusion:** Commit to diversity, inclusiveness and belonging in the workplace as differences drive innovation and bring together diverse perspectives, experiences, ideas and opinions. The Company prohibits discrimination based on race, color, religion, sex, age, national or ethnic origin, marital, domestic partnership or civil union status, sexual orientation, disability, veteran status, gender identity and/or expression, socio-economic status, or any characteristic, status, identity, or expression protected under federal, state or local law.
- **Workplace & Culture:** Offer a dynamic, inclusive, engaging and exciting work environment, as well as a competitive wage and benefits program. The Company is committed to upholding its Be FIRST values and creating opportunities for employees to lead and grow with a focus on engagement, development, retention and equity. The Company ensures team members have the opportunity to offer feedback in a welcoming and professional environment providing frequent, transparent communications and employees with resource groups to foster belonging.
- **Health, Wellness & Safety:** Create a healthy, safe and welcoming workplace that minimizes the risk of injuries and supports the social, emotional, physical and financial health of all. The Company provides comprehensive medical, dental, & vision plans, health savings account, extended sick pay allowance, long-term disability, group term life, dependent life and AD & D insurance, childcare reimbursement program, dependent care and flexible spending accounts, family and medical leave and employee assistance and financial wellness programs.
- **Environmental Sustainability:** Manage environmental impacts adhering to the Company's [Environmental Sustainability Principles](#). When appropriate, the Company uses environmentally friendly products, services, procures its energy from renewable sources, and sources environmentally conscious supplies. The Company ensures safe water, sanitation, respect for biodiversity, critical habitats and considers the environmental impacts of its business activities, complies with its [Environmental Loan Policy](#) and strives not to undertake business activities that would irrevocably harm the environment.
- **Data Privacy & Security:** Protect customers', employees', and third party providers' data, leveraging technology, training, policies and procedures to detect and prevent fraud, unauthorized access or use, and disclosure of any sensitive information. The Company uses the National Institute of Standards and Technology (NIST) Cyber Security Framework to help manage cybersecurity risk by organizing information, enabling risk management decisions, and addressing emerging threats.
- **Stakeholder Relations:** Engage stakeholders clearly, honestly and respectfully to understand current and emerging trends that may affect the Company's business operations. Identify potential social, environmental and culture risks, elevate concerns and work collaboratively internally and externally to mitigate those risks through programs, policies, and other tactics.
- **Community Investment:** Provide financial support directly to non-profit and community organizations through sponsorships and Berkshire Bank Foundation grants. Encourage the

Company's employees to give back through its corporate volunteer & giving program, the XTEAM® and board service. Employees should refer to the Berkshire Employee Handbook, [Volunteer & Giving Site](#) and the Company's [website](#) for additional information on our community investment programs.

- **Economic Inclusion:** Provide products, services, human capital and philanthropic investments to meet the evolving needs of vulnerable, marginalized, underrepresented and under resourced groups including small- and medium-sized businesses and women- and minority-owned enterprises. The Company will not knowingly undertake activities that would disproportionately harm any group, and the Company will support its [Community Reinvestment Act Policy](#). When appropriate, the Company will screen potential sponsorships, community investments and transactions to help ensure it is meeting the needs of all constituencies.
- **Transparent Marketing:** Promote products, services and the Company in a transparent manner that is reflective of the diversity of its communities, building trust with consumers. Ensure that no advertisements are misleading, inaccurate or misrepresent products, terms, or services and activities are in conformity with all applicable laws, regulations and comply with the Company's [Advertising Policy](#).

Area Name:

Environmental Sustainability Principles

Area Statement:

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

The Company:

- Complies with all applicable local, state and federal regulations in the communities in which it operates;
- Complies with Berkshire Bank's Environmental Standards as outlined in [Schedule A](#)
- Integrates consideration of material environmental risks and opportunities into business decision making;

- Procures its energy needs from renewable resources and sources environmentally conscious supplies when reasonable and available;
- Offers environmentally conscious delivery of products and services;
- Engages with its stakeholders on environmental topics material to its business;
- Encourages employee engagement in order to enhance awareness and understanding of environmental topics;
- Supports local community-based environmental initiatives with financial and human capital investments;
- Communicates its principles and performance in an open and transparent manner

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

Area Name:

Third Party Responsible Business Principles

Area Statement:

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

The Company expects:

Protection of human rights	Respect for basic human rights, including life, liberty, equality and freedom of thought and expression. No tolerance for and protect against workplace harassment, abuse, discrimination and violence
Protection of health and safety	A culture of safety, supporting practices, policies and documented safety procedures which include emergency and accident reporting that minimize the risk of injury or death and promote a healthy thriving workplace
Fair labor practices	No tolerance for the use of child or forced labor in any operations or facilities; compliance with applicable labor laws including those relating to wage rates, work hours, freedom of association and conditions of employment
Code of conduct and ethics	Ensure that all employees demonstrate appropriate ethical, moral, and legal behavior
Diversity and Inclusion	Commitment to respect diversity, including prohibitions against discrimination based on race, color, religion, sex, age, national or ethnic origin, marital, domestic partnership or civil union status, sexual orientation, disability, veteran status, gender identity and/or expression, socio-economic status, or any characteristic, status, identity, or expression protected under federal, state or local law. Ensure equal opportunities in hiring and promoting practices.
Anti-bribery/Anti-corruption	Prohibition of conduct that could violate anti-bribery or anti-corruption laws
Environmental sustainability	Commitment to minimize and mitigate any negative environmental impacts within their operations
Legal and Regulatory Compliance	Compliance with applicable laws and regulatory requirements that cover operations and the products and services provided

Economic Inclusion	Commitment to encouraging economic inclusion by working with and providing access to vulnerable, marginalized, and underrepresented groups when possible
Community Engagement	Commitment to investing and engaging in its community

Area Name:

Exceptions

Area Statement:

Any request for exceptions to this policy must be made in writing to the SVP, Corporate Responsibility & Culture and be approved by the Berkshire Hills Bancorp Corporate Responsibility & Culture Committee.