



RESPONSIBLE & SUSTAINABLE business policy

 **BerkshireHills**
Bancorp[®]

Policy Statement:

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

The Company seeks to empower the financial potential of all individuals, families and businesses in the communities it serves. It strives to be a good corporate citizen and recognizes the importance of operating in a socially and environmentally responsible manner grounded in its corporate 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 Responsible & Sustainable Business Policy outlines Berkshire’s position on environmental, social and sustainability topics along with the Company’s corresponding standards, commitments, principles and expectations. This policy encourages employees to uphold the highest ethical standards and commitments set forth to help ensure the Company operates responsibly, equitably and sustainably to elevate its client experience and community impact.

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Roles & Responsibilities

Board of Directors (“Board”): The Board is responsible for overseeing the Company, including the strategic direction. A component of the strategic direction includes an ESG, corporate responsibility, Diversity, Equity & Inclusion (DEI) and sustainability policy that mitigates social and environmental risks, defines corporate culture, addresses material social and environmental topics including climate change, enhances reputation and deepens the Company’s engagement in the communities it serves. The Board will formally approve policies that set responsible and sustainable business commitments and principles. The Company’s monitoring systems allow the Board to hold management accountable for operating within established standards. The Board shall take steps to develop and maintain an appropriate understanding of the Company’s culture, social 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 all the Company’s stakeholders, environment, and communities, protect the brand and promote ethical, transparent, inclusive and sustainable business practices.

Corporate Responsibility & Culture Committee (“CRCC”): In conjunction with the Board, the CRCC shall set the tone for and oversee Company culture, ESG, corporate responsibility, DEI and sustainability programs. It monitors Company culture, the performance of ESG, Corporate Responsibility, and DEI activities and examine social, environmental and culture risks, opportunities and threats that could affect the Company. 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 programs aimed at elevating responsible, ethical, sustainable, and equitable business practices that foster belonging, enhance reputation, mitigate risk, promote competitive advantage, engage employees, and meet stakeholder expectations.

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

Joint DEI & ESG Committee: In conjunction with the Board and executive management, the Joint DEI & ESG Committee (ESGC) is responsible for overseeing the enterprise-wide DEI, Sustainability, ESG and Corporate Responsibility program consistent with the Company’s corporate values and strategic vision. The Committee monitors goal setting, strategy development, execution, performance and elevates responsible, equitable, and sustainable business practices throughout the organization to advance the Company’s vision, mission and strategic objectives.

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

Executive Management: The Chief Executive Officer (“CEO”), President & Chief Operating Officer, Chief

Financial Officer, Chief Human Resources & Culture Officer and all other Executive Management are responsible for promoting and communicating the Company's Culture, Sustainability, DEI, ESG, and corporate responsibility commitments 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 Chief Communication & Sustainability Officer ("CCSO").

Chief Communication & Sustainability Officer: Under the direction of executive management, the Chief Communication & Sustainability Officer ("CCSO") is responsible for facilitating the management of the Company's Sustainability, ESG, DEI and Corporate Responsibility programs and Responsible & Sustainable Business Policy, in collaboration with other applicable executives and senior leaders. The CCSO 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 culture, ESG, DEI, corporate responsibility, and sustainability activities within their respective departments. Senior management is accountable for implementing strategies approved by the CRCC and ESGC in a manner that complies with policies, rules, regulations, and supervisory requirements. Senior management is also responsible for the implementation, integrity, and maintenance of management information systems that provide accurate, comparable and timely data and a clear understanding of the business activities to the CCSO for use in internal/external reporting and public disclosures. Senior management is responsible for ensuring department compliance with the Responsible & Sustainable Business Policy.

All Employees: All employees are accountable and responsible for adhering to the Responsible & Sustainable Business Policy. All employees shall identify opportunities in their areas of responsibility and advise their managers of potential ways to enhance sustainable business practices as well as identify and mitigate environmental and social risks. As a cornerstone of the Company's commitment to operate responsibly, ethically, and sustainably, employees are encouraged to be active and engaged in all aspects of the Company's social and environmental responsibility efforts. Staff will be held accountable for nonconformance with this Policy and all employees are expected to complete annual training on this Policy.

Responsible & Sustainable Business Culture

The Company advocates and upholds responsible, equitable and sustainable business practices in a culture that embraces its corporate values. As a result, the Company encourages employees to act in accordance with its 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
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- » 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

Responsible & Sustainable Business Commitments

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

- » **Human Rights:** Ensure respect for basic human rights including life, liberty, expression, equality, access to safe water and sanitation. These protections extend to respecting the rights of women. 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.
 - » **Fair Labor Practices:** No tolerance for and prohibit against the use of child or forced labor in any operations or facilities; compliance with applicable labor laws including those relating to wage rates, work hours, freedom of association, collective bargaining and conditions of employment.
 - » **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 corporate values as their guiding principle. The Company encourages its third party providers to have guidelines in place that define organizational expectations relating to the ethical, moral and legal behaviors of their employees.
 - » **Regulatory Compliance:** Comply with all federal, state and local government regulations in all its business activities. The Company works proactively to maintain a strong and consistent culture of compliance. Employees are required to complete mandatory compliance trainings on-time to ensure the Company is continually learning and maintaining a high level of knowledge of the regulatory environment.
 - » **Diversity, Equity & Inclusion:** Commit to diversity, equity and inclusiveness and belonging in the workplace as differences drive innovation and bring together diverse perspectives, experiences, ideas and opinions. The Company prohibits discrimination based on race, color, religion, sex, age, national or ethnic origin, marital, domestic partnership or civil union status, sexual orientation, disability, veteran status, gender identity and/or expression, socio-economic status, or any characteristic, status, identity, or expression protected under federal, state or local law.
 - » **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 corporate values, adhering to fair labor practices 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, mental, physical and financial health of all. The Company provides comprehensive medical, dental, & vision plans, health savings account, extended sick pay allowance, long-term disability, group term life, dependent life and AD & D insurance, childcare reimbursement program, dependent care and flexible spending accounts, family and medical leave and employee assistance and financial wellness programs.
 - » **Environmental Sustainability:** Manage environmental impacts adhering to the Company's Environmental Sustainability Principles. When appropriate, the Company uses environmentally friendly products, services, procures its energy from renewable sources, builds to green construction standards, reduces its waste and sources environmentally conscious supplies to reduce its impacts and address climate change. The Company will work to ensure safe water, sanitation, respect for biodiversity, agriculture and protect critical habitats by integrating mechanisms to manage the environmental impacts of its business activities including its Environmental Loan Policy, Climate Risk
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Management Program as well as other applicable credit and lending policies and strives not to undertake business activities that would irrevocably harm the environment

- » **Information and Cybersecurity:** Protect customers', employees', and third party providers' data, using multiple lines of defense including technology, training, controls, policies and procedures to detect and prevent fraud, unauthorized access or use, and disclosure of any sensitive information. The Company uses the National Institute of Standards and Technology (NIST) Cyber Security Framework to help manage cybersecurity risk by organizing information, enabling risk management decisions, and addressing emerging threats. Berkshire will notify stakeholders in a timely manner in case of policy changes or data breach.
 - » **Privacy:** Respect individual's right to privacy and protect personal information from unauthorized access and use. The Company will use clear terms involving the collection, use and sharing of user data including data transferred to third parties. Individuals have rights to access, correct and limit sharing of their data consistent with company policies and federal/state regulations by contacting the Bank. An annual Privacy Notice is provided which further details company practices. Berkshire will notify stakeholders in a timely manner in case of policy changes, obtain user data through lawful and transparent means with explicit consent where required and collect and process user data that is limited to the stated purpose.
 - » **Stakeholder Relations:** Engage stakeholders clearly, honestly and respectfully to understand current and emerging trends that may affect the Company's business operations. Identify potential social, environmental, culture and reputation risks, elevate concerns and work collaboratively internally and externally to mitigate those risks through programs, policies, and other tactics.
 - » **Community Investment:** Provide financial support directly to non-profit and community organizations through sponsorships and Berkshire Bank Foundation grants. Encourage the Company's employees to give back through its corporate volunteer & giving program, the XTEAM® and board service. Employees should refer to the Berkshire Employee Handbook, XTEAM Gives Back Site and the Company's website for additional information on Berkshire's community investment programs.
 - » **Economic Equity:** Provide financial solutions, services, human capital and philanthropic investments to meet the evolving needs of vulnerable, marginalized, underrepresented and under resourced groups including small- and medium-sized businesses and women-, minority-, veteran-, disability- and LGBTQIA+-owned enterprises. The Company will not knowingly undertake activities that would disproportionately harm any group, and the Company will support its Community Reinvestment Act Policy. When appropriate, the Company will screen potential sponsorships, community investments and business transactions to help ensure it is meeting the needs of all constituencies.
 - » **Consumer Financial Protection & Satisfaction:** Act in the best interests of Berkshire's clients to protect and empower them on their financial journey. Safeguard consumers with accurate, unbiased information on financial solutions offered by the Company, complying with all applicable laws, regulations, Company policies and best practices to ensure a strong, fair, equitable and consistent consumer experience. Deliver appropriate consumer education and practice fair debt collection in a manner consistent with Company policies and values. Provide regular training to applicable employees on responsible product offering, conduct risk assessments to determine potential impacts of products and services and monitor customer satisfaction and complaints to continually improve the client experience.
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- » **Transparent Marketing:** Promote products, services and the Company in a transparent manner that is reflective of the diversity of its communities, balanced, fair, easy to understand and minimize the use of fine print to build trust with consumers. Provide regular training to applicable employees on responsible marketing practices. Ensure that no advertisements are misleading, inaccurate or misrepresent products, terms, or services and activities are in conformity with all applicable laws, regulations and comply with the Company's Marketing Advertising Policy.

Environmental Sustainability Principles

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

The Company:

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

Climate Change

Climate change manifesting in the form of both physical and transition risk could adversely, either directly or indirectly, affect Berkshire's operations, borrowers, customers, communities and 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 strengthen its competitive positioning.

The Company:

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

Third Party Responsible Business Principles

The Company's corporate 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 all of its third parties across environmental, social and governance topics. Berkshire is committed to sourcing products and services in its value chain from third parties who operate in a manner consistent with these principles and Berkshire Responsible & Sustainable Business Commitments. As such, these principles apply to all third parties, partners and vendors of the Company.

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. Avoid infringing on the rights of others and address any negative impacts, complying with the Universal Declaration of Human Rights and the UN Guiding Principles for Business & Human Rights.
Protection of health and safety	A culture of safety, supporting practices, policies and documented occupational health and safety policies and procedures which include emergency and accident reporting that minimize the risk of injury or death and promote a healthy thriving workplace.
Fair labor practices	Prohibit the use of child or forced labor in any operations or facilities; compliance with and respect for applicable labor laws including those relating to wage rates, work hours, freedom of association, collective bargaining and conditions of employment.
Code of conduct and ethics	Ensure that all employees demonstrate appropriate ethical, moral, and legal behavior in a manner consist with the Company's Code of Business Conduct including provisions against bribery, corruption and anti-competitive practices.
Data Protection & Cybersecurity	Commitment to maintain a system of technologies, policies, procedures and controls to detect and prevent fraud, unauthorized access or use, and disclosure of any customers', employees', Company data or sensitive/confidential information. Maintain practices and consent requirements to handle personal data consistent with Berkshire policies, practices and expectations.
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	Commitment to understand risks and opportunities to minimize and mitigate

sustainability	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 Equity	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.
Transparency & Reporting	Commitment to report concerns to Berkshire regarding any financial, legal, reputational, social or environmental risks resulting from business activities.

Fraud Reporting & Suspicious Activity

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

Any unusual activity that is not fraud related, should be immediately reported to the Chief Communication & Sustainability Officer and the FIU. This activity includes, but is not limited to business practices, transactions, or behaviors that are not in compliance with the Responsible & Sustainable Business Policy and Company values.

Conflict of Interest

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

Exceptions

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



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