



2023 Sustainability Report



NYSE: **BHLB**

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Berkshire Bank

(Berkshire Hills Bancorp | NYSE: BHLB)

Berkshire Hills Bancorp, Inc. (NYSE: BHLB) is the parent company of Berkshire Bank, a relationship-driven, community-focused bank that delivers industry-leading financial expertise to clients in New England and New York. Berkshire is headquartered in Boston and provides a full suite of tailored banking solutions. For more than 175 years, the Bank has delivered strength, stability and trusted advice to empower the financial potential of its clients and communities.

Our vision

To be a high-performing, relationship-driven, community-focused bank.

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.



Berkshire Bank at a glance

- » **Assets:** \$12.4B
- » **Community banking footprint:** 96 financial centers in Massachusetts, New York, Vermont, Connecticut and Rhode Island
- » **Headquarters:** Boston
- » **Lines of business:** Retail Banking, Consumer Lending, Commercial and Private Banking, Wealth Management, as well as 44 Business Capital, Berkshire's national, direct small business lending division providing SBA loans
- » **Workforce:** ~1,300 Berkshire bankers
- » **Founded:** 1846 in the Berkshires in western Massachusetts



About this report

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
833-BERKBNK
berkshirebank.com »


Customer service
833-BERKBNK
berkshirebank.com/help »


Investor relations
investorrelations@berkshirebank.com »

Corporate responsibility & sustainability
csr@berkshirebank.com »

Community giving
foundation@berkshirebank.com »

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

 **Facebook**
facebook.com/BerkshireBank »

 **LinkedIn**
linkedin.com/company/berkshirebank »

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

Reporting scope and boundary

This report presents the material topics and impacts of Berkshire's Sustainability and Corporate Responsibility activities during the fiscal year ending December 31, 2023, 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 Sustainability report is informed by globally recognized reporting frameworks and standards, including the IFRS Foundation's International Sustainability Standards Board (ISSB) SASB Commercial Bank disclosure standards version 2023-12, the Task Force on Climate-Related Financial Disclosure (TCFD), and the Global Reporting Initiative (GRI) standards. 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
2024 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:



Strength, stability & impact

Dear Stakeholders,

For more than 175 years, Berkshire has been a trusted advisor for its clients, employees and communities. We deliver tailored financial solutions through knowledgeable, relationship-driven, community-focused bankers, empowering our clients to navigate through any environment, achieve their financial goals and make a positive impact in our communities.

Despite an inflationary and uncertain macroeconomic environment affecting the entire banking sector, Berkshire remains a trusted source of strength and stability. Our clients trust us to keep their money safe, secure and guide them through their financial journey. In turn, we are committed to delivering superior client experience and financial solutions that align with their needs. Operating responsibly, ethically, equitably and sustainably is not just an expectation of our stakeholders; it's the mandate for operating a high-performing business in today's landscape.

Over the last year, Berkshire has continued to meet the moment and accelerate its journey toward high-performance while remaining true to its purpose, vision and values. A few, of many, highlights include:

- First community bank in the nation to allocate an amount equal to the proceeds from our \$100 million inaugural sustainability bond within 12 months.
- Achievement of 100% renewable electricity use in our operations.

- Implementation of a climate risk management program.
- Deployment of more than \$2.5 billion in low-moderate income neighborhoods since launching our Community Comeback program.
- Recognition by Newsweek as one of the most trustworthy banks in the nation and Best Regional Bank.

Our initiatives are elevating our reputation, strengthening risk management capabilities and bolstering long-term shareholder value. All the while, these actions contribute to a positive impact on the people, places and programs that you care about the most.

We have a lot to be proud of, but there's still more to do to realize our full potential. Our energy levels are high and we're confident that the journey ahead will allow us to continue to meet the demands of today, while getting better for tomorrow. We appreciate your continued interest and support for Berkshire.

Onward and upward!



Nitin J. Mhatre

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



GL

Gary Levante
(He, Him, His)
Chief Communication
& Sustainability Officer

NOTABLE 2023 HIGHLIGHTS



TOP QUARTILE ESG

Maintained top quartile ESG score

based on aggregated ESG rankings, solidifying position as a leader in the banking sector



100% RENEWABLE ELECTRICITY

Achieved 100% renewable

electricity usage in operations, reducing Greenhouse Gas Emissions by more than 30%



CLIMATE RISK MANAGEMENT

Implemented a climate risk

management program to strengthen governance of climate matters



BEST COMMUNITY COMEBACK

Delivered meaningful

progress on Berkshire's \$5B BEST Community Comeback program aimed at addressing four areas critical to the long-term vibrancy and success of its communities and business: fueling small businesses; community financing and philanthropy; financial access and empowerment; and funding environmental sustainability



SUSTAINABILITY BOND

Allocated an amount equal to the proceeds

of our \$100MM sustainability bond to create 330 units of affordable/workforce housing and more than 200,000 square feet of green building development



RECORD HIGH EMPLOYEE ENGAGEMENT

Employee engagement

reached record levels contributing to declining turnover



AWARDS

See page 28 for a listing of awards and accolades »

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.

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



Fueling Small Business

Small Business Lending	\$833MM	\$1.5B
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Community Financing and Philanthropy

Mortgage Lending	\$1.82B	\$2.5B
Community Contributions	\$8.9MM	\$15MM
Employee Volunteer Time	\$1.57MM	\$3MM equivalent
Socially Responsible Investments under Management	\$46MM	\$50MM



Financial Access and Empowerment

Lending for Low- and Moderate-Income Neighborhoods	\$2.56B	\$2.5B	✓
Lending for Minority Mortgage Borrowers	\$320MM	\$200MM	✓
Individuals Impacted by Financial Wellness Programming***	501,482	300,000	✓
Socially Responsible Customer Bank Accounts	180,191	200,000	



Environment

Lending for Low-Carbon Projects	\$591MM	\$300MM	✓
Renewable Electricity Usage	100%	100%	✓

BEST Community Comeback performance includes July 1, 2021 to December 31, 2023 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 & stakeholder engagement



Our sustainability report centers on the material topics identified in our most recent sustainability 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/esg. »

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
- Environmental & Social 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. Stakeholders are able to submit grievances and complaints to Berkshire for action through multiple channels. 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, community visits	Workplace flexibility, career growth, performance and rewards, work-life balance, 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, fraud and cybersecurity, financial well-being
Shareholders and Investors	Phone calls, emails, annual shareholder meeting, quarterly earnings calls, shareholder outreach, conferences, non-deal roadshows	Strategic progress and ongoing financial returns momentum, asset quality and risk management, shareholder distributions, disclosure enhancements, human capital management practices, sustainability governance
Communities	Meetings, conferences, forums, social media, email, foundation grantmaking, XTEAM volunteering, stakeholder listening sessions, industry/chamber memberships, community rooms	Community Comeback progress, affordable and accessible housing, small business support, labor market, childcare, workforce skills gap, financial well-being
Government and Regulators	Meetings, webinars, CRA and compliance reviews, emails, phone calls	Strong regulatory partnerships, commitment to risk governance, support for mission and vision, CRA reform, 1071
Suppliers	Meetings, phone calls, emails, surveys, events	Procurement opportunities, supplier diversity
Nonprofit Organizations	Meetings, email, social media, conferences, stakeholder listening sessions, foundation grantmaking, XTEAM volunteering, board service	Sustainable funding, diversity, equity & inclusion, volunteer opportunities, labor market, board recruitment

Investor performance summary

Throughout this report, we reference topics contained in the IFRS Foundation’s International Sustainability Standards Board (ISSB) SASB Commercial Bank disclosure standards. 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) 3,793 (2) \$239MM Small Business Lending pg. 7 Community Development: (1) 85 (2) \$501MM 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) 166 (2) \$6.8MM Community Development: (1) 0 (2) 0
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	180,191* Financial Wellness and Economic Inclusion pg. 9
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	149,637* Financial Wellness and Economic Inclusion pg. 9
	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Environmental & Social Risk Management pg. 14
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 proceedings are included in Part I, Item 3 of the 2023 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 Whistleblower Reporting Line

TOPIC	SASB CODE	METRIC	DIRECT RESPONSE OR LINK
Systemic risk management	FN-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 2023 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) 244,628 (2) \$2.1B Small Business (1) 5,264 (2) \$300MM
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business and (c) corporate	Personal (1) 39,231 (2) \$3.2B Small Business (1) 3,793 (2) \$239MM Corporate (1) 3,775 (2) \$5.6B
Financed emissions	FN-CB-410B.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Not disclosed
	FN-CB-410B.2	Gross exposure for each industry by asset class	See chart FN-CB-410b.2 on pg. 8
	FN-CB-410B.3	Percentage of gross exposure included in the financed emissions calculation	Not disclosed
	FN-CB-410B.4	Description of the methodology used to calculate financed emissions	Not disclosed

*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 & 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. These efforts were made all the more important given the housing market trends that took place in the communities we serve. High interest rates, home prices and low inventory continued to create significant obstacles to many trying to enter the housing market. Despite these headwinds, Berkshire continues to assist its borrowers, originating \$691MM in mortgages during the last year, to help individuals realize the dream of homeownership.



Dollar value of mortgages originated	\$691MM
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Berkshire expanded its first-time homebuyer program, down payment assistance program and maintains alternative credit underwriting standards for those with no credit history for select mortgage products. These programs were all aimed at assisting low- and moderate-income borrowers as well as those from underrepresented populations. In addition, Berkshire offers a comprehensive suite of mortgage options, including the Federal Home Loan Bank of Boston Home Equity Builder Program, USDA Residential Program, VA Mortgages and the FHA Loan Program, along with numerous state and local programs to meet each borrower’s unique needs. If customers run into challenges paying their bills, we offer a number of loan forbearance options, as well as financial coaching, to help get people back on track.

The Bank continued to make significant progress on its BEST Community Comeback program, marching toward its goal to deliver \$2.5 billion to help people achieve the dream of homeownership. Thanks to the collective efforts of Berkshire employees and partners, the Bank provided \$1.82 billion through the program as of year-end, including \$320 million for minority borrowers.

DOWNPAYMENT ASSISTANCE PROGRAM

Berkshire's Down Payment Assistance Program aims to increase homeownership amongst low-to-moderate income and first-time homebuyers.

- Eligible borrowers purchasing a home in a qualifying area may receive down payment assistance from \$3,500 to \$10,000 towards the purchase price.
- The grant is considered a gift, and no lien is filed.
- The Bank will consider an alternative credit if needed. (i.e., Rent statements, electric bills, phone bills) when applying for certain mortgage products
- Programs are available on a first come/first serve basis.

INVEST MA

Berkshire participates in Massachusetts' Investing For the Long-Term Initiative (Invest MA) to promote the success of small businesses by boosting loans for those businesses through increased deposits from the Commonwealth

Small business lending

Small businesses are the backbone of our main streets and local economies. Businesses faced continued pressures from the macroeconomic environment, tight labor market, and high interest rates. Despite the state of the economy, and how it continues to affect the trajectories of many small businesses throughout our market, most remain optimistic about their future. That’s in part because Berkshire, as it always has, stands by its small business customers, providing support, guidance and financing to navigate through the tough times and help make the best ones possible.

Berkshire and its 44 Business Capital Division have dedicated teams of experts to help with every small businesses’ financing needs. The Company remains one of the top SBA lenders in the Country providing several SBA and traditional lending solutions as well as a full suite of depository, cash management and merchant services.

We understand the outsized impact small businesses have on local communities and that’s why, as part of our BEST Community Comeback program, we set a goal to fuel the untapped potential of the business community by increasing our financing, technical assistance and development of new partnerships to prepare entrepreneurs for success, as well as increasing representation among historically marginalized populations. Since the launch of the program, Berkshire has deployed \$833 million in capital to power small business growth as we continue to expand partnerships with organizations such as the Initiative for a Competitive Inner City (ICIC), EforAll and dozens of others. In addition, Berkshire expanded its special-purpose credit programs, such as The Futures Fund, to further assist business owners from marginalized and underrepresented communities.



Dollar value of loans outstanding to support small businesses	\$239MM
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Financial access & affordability

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 enable 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.

Our community development lending program encompasses activities aimed at creating jobs, stabilizing and revitalizing neighborhoods, and building stronger communities. The Bank originated \$123MM in qualified community development loans in 2023, an increase of more than 80% 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 \$501MM for all community development loans.

The Company makes targeted investments and tax credit financing through federal and state programs, holding \$83MM in community development investments at year-end. During our most recent Community Reinvestment Act (CRA) exam in 2022, the Bank had an overall rating of Satisfactory and was rated Satisfactory for Lending and 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



Dollar value of all qualified community development loans originated	\$123MM
Dollar value of all qualified community development loans outstanding	\$501MM
Dollar value of all qualified community development investments held at year-end	\$83MM



Commercial industrial credit exposure by NAICS industry 2023: FN-CB-410b.2

Wholesale Trade	\$690MM	Professional, Scientific and Technical Services	\$98MM
Manufacturing	\$313MM	Arts, Entertainment and Recreation	\$93MM
Real Estate, and Rental and Leasing	\$297MM	Administrative and Support, and Waste Management and Remediation Services	\$58MM
Finance and Insurance	\$223MM	Educational Services	\$56MM
Retail Trade	\$161MM		
Health Care and Social Assistance	\$160MM		

Sustainable finance & impact investments

Berkshire became **the first public U.S. community bank holding company with under \$150 billion in assets to issue a Sustainability Bond** with a \$100 million issuance last year. In 2023, Berkshire allocated an amount equal to the proceeds from its inaugural sustainability bond to projects resulting in the creation of 330 units of affordable and workforce housing along with more than 200,000 square feet of green building development. Amounts equal to the proceeds from the bond were allocated in alignment with Berkshire's Sustainable Financing Framework. Sustainalytics, a Morningstar Company, and the global leader in high-quality ESG research, ratings, and data, independently verified that Berkshire's Sustainable Financing Framework "is credible and impactful and aligns with the International Capital Market Association's (ICMA) Sustainability Bond Guidelines 2021, Green Bond Principles 2021 and Social Bond Principles 2021". Berkshire's Sustainability Bond Report further details how allocations were made to support affordable housing, workforce housing, green building and financial access and inclusion projects in communities across New England and New York.



Beyond its sustainability bond, Berkshire looks for innovative ways to advance its business priorities through sustainable finance and impact investing. The Bank partners with public and private entities, including state green banks, to offer several sustainable financial solutions to residential and commercial clients. This includes the Mass Save® HEAT Loan program, which provides zero-interest financing opportunities up to \$50,000 for energy-efficient home upgrades. In addition, Berkshire makes targeted impact investments in Small Business Investment Companies (SBIC) and other strategically aligned assets that are within risk appetite and drive a competitive rate of return. The Company also has a strong tax-credit business whereby it makes targeted investments in low-income housing tax credits (LIHTC), historic tax credits (HTC) and solar tax credits to further Berkshire's goals and strengthen its Community Reinvestment Act (CRA) performance. These investments help bring to life important economic development, revitalization and renewable energy projects while providing an appropriate return to the bank consistent with its capital and tax strategies.

Financial access & affordability

Financial wellness and economic inclusion

For more than 175 years, the Bank has delivered strength, stability and trusted advice to empower the financial potential of its clients and communities. From our founding to serve those working in textile mills and factories to our vision today we have been unwavering in our belief that good for some isn’t good enough. Berkshire provides a full suite of tailored banking solutions through its Commercial Banking, Retail Banking, Consumer Lending, Private Banking and Wealth Management divisions. That experience is further set apart by Berkshire's **DigiTouchSM** commitment to combining extraordinary personal service with convenient, user-friendly technology.

The Bank offers a comprehensive suite of financial solutions, financial coaching and education all aimed at helping individuals to reach their financial goals 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. Berkshire sponsors financial wellness programming with educational

institutions and nonprofits to expand access to quality programming. We also provide individuals with access to financial wellness literature and printed materials through our financial centers. Berkshire strives to integrate financial wellness into our financial solutions, including our Student Checking+ account that features online resources that offer information, activities and conversation starters to help students build a strong foundation in financial education. We integrated budgeting and financial management tools into our new online and mobile banking experience to help consumers strengthen the management of their finances. We continue to offer financial wellness programs virtually, in partnership with community organizations and at targeted events, to increase their reach and accessibility, impacting nearly 150,000 people last year. When our customers run into financial challenges, we have their backs, providing direct

financial coaching and referring them to our network of nonprofit partners, including GreenPath Financial Wellness, to get the counseling and 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 robust distribution channels, including financial centers, ATMs and ITMs across its New England and New York footprint. These digital channels provide greater access across our footprint for individuals looking to do basic banking services, fully accessible online and mobile channels, and a best-in-class digital online account-opening experience. This makes 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 continues to expand access to financial services throughout its markets by offering several no- and low-cost checking and savings accounts to young adults, senior citizens, the underbanked, active-duty military members, and veterans and first responders. These solutions offer core banking services without extra fees, monthly or annual maintenance fees or minimum average balance requirements. The Company continues to work toward building economic equity in its communities by developing and offering safe, accessible, affordable financial solutions and programs, including its MyFreedom Checking account, nationally certified by BankOn for its affordability, and the Futures Fund. The Futures Fund is a special-purpose credit program that provides access to a low-interest, low-barrier-to-entry line of credit in collaboration with nonprofit partners who provide wrap-around technical assistance to minorities, LGBTQIA+ and other businesses owned by underrepresented individuals. Since launching the program in 2020, it has deployed nearly \$1.7 million to underrepresented business owners. We also offer MyCheck, which allows noncustomers to cash checks for significantly reduced fees and provides the opportunity to start a committed banking relationship.



Number of individuals impacted by financial inclusion programming	149,637
Number of low-/no-cost retail checking accounts	180,191

THE FUTURES FUND

Berkshire Bank expanded the availability of its Futures Fund Program across its markets. The program provides access to capital through designated Referral Partners through a low-interest rate line of credit up to \$50,000 to small businesses that are majority-owned and led by historically marginalized and underrepresented individuals.



Center for Women,
Wellness & WealthSM
Inspired by Berkshire Bank

berkshirebank.com/cwww »

CENTER FOR WOMEN, WELLNESS & WEALTH EXPANDS PARTNERSHIPS

Berkshire Bank and its Center for Women, Wellness & Wealth (CWWW) announced a new effort to support the Dementia Care Collaborative (DCC), a program at Massachusetts General Hospital (MGH) Division of Palliative Care & Geriatric Medicine. This innovative collaboration will bolster the support patients and families living with Alzheimer’s disease and related dementias receive in Boston and beyond.

Supporting women through various stages of life is core to Berkshire's mission. CWWW seeks community collaborations to help women gain confidence in their personal finances and to help them pursue their dreams and goals. By joining efforts with the DCC, Berkshire Bank can enrich the financial stability, balance, and growth for women throughout the community.

Responsible banking



Business ethics and consumer financial protection

Overview

Berkshire upholds 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 applied 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 corporate 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 Whistleblower Reporting Line Policy establishes the standards and procedures to ensure that handling of any complaint related to violations or questionable, unethical, or suspicious "Accounting Matters" comply 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. Additionally, Berkshire's Code of Business Conduct, available online, provides employees with detailed instructions on how, and to whom, suspected violations of the Code can be reported depending on the nature of the violation or wrongdoing.

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 itself 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. Oversight of Berkshire's marketing and advertising falls to the SVP, Director of Marketing. The Compliance Committee provides further management-level oversight, and the Board's Risk Management, Capital and Compliance Committee provides board-level oversight. Employees receive annual training on fair advertising and all applicable compliance regulations impacting Berkshire's advertising and marketing initiatives.

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. Customer-facing employees and those engaged in any type of sales solicitations are required to complete annual trainings related to ethical sales practices, marketing and compliance to ensure they have the knowledge, understanding and skills to deliver a superior customer experience, comply with regulations and offer solutions that help empower our customers' financial potential.

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 nonprofit organizations to educate delinquent borrowers and help them build stronger financial habits. Relevant employees receive regular, ongoing training on best practices, compliance requirements and procedures.

Responsible banking



The department also maintains detailed procedures that outline the Company’s debt collection practices and complete quarterly monitoring reviews to ensure that we are operating within regulations and our own policies.

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 a comprehensive AML program that includes established internal policies, procedures, and controls, a designated BSA/AML Officer, an ongoing employee training program, initial and ongoing risk-based customer due diligence, 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 comprehensive 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). The policy details the requirements for our BSA/AML program, reporting, information sharing, sale of financial instruments, defines high-risk customers and products/services along with exceptions. The policy also contains Berkshire’s commitment to identify unusual and suspicious transactions, defines key terms, and ensures Berkshire takes steps and actions against those who attempt to use its services for financial criminal conduct.

Our policy includes the appointment of a BSA/AML officer who has day-to-day responsibility for the BSA and AML efforts, a system of internal controls, self-monitoring and independent testing, customer due diligence and training. Our employee training program includes provisions to ensure that 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. We have a detailed reporting process that includes currency transaction reporting (CTR), suspicious activity reporting (SAR), a task-force and ongoing record-keeping requirements. Berkshire maintains extensive procedures for high-risk customers and products or services as part of the policy. This includes enhanced due diligence and monitoring requirements. Our Customer Identification Program (CIP) ensures compliance with all regulatory requirements and details all the steps Berkshire undertakes to verify the identity of all its customers, along with risk management and board oversight. In addition, not less than annually, our Internal Audit Department, or a suitable independent third party of their choosing, reviews the Bank’s compliance with the Bank Secrecy Act and its BSA/AML program. The policy is reviewed and approved annually by applicable Committees and the Board of Directors.



Product development and oversight

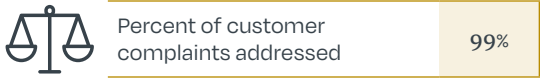
We are committed to responsibly developing financial solutions to meet our customers’ needs. Our Products and Services Development Policy creates a governance process for developing and implementing new, modified and enhanced products and services to ensure risks are identified, understood and managed. 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 values and applicable laws and regulations.

Risk management for new products and services is the responsibility of various stakeholders across the Company, including the full Board of Directors, Risk Management, Capital and Compliance 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, which includes, but is not limited to, an evaluation of financial, strategic, credit, compliance and reputational risks. This includes an evaluation of the social impact, along with any social/environmental risks related to the proposed product or service. To further ensure those risks and opportunities are appropriately mitigated and

captured, the Company’s Chief Diversity Officer and Chief Communication& Sustainability Officer serve as voting members of the committee. Through its formal assessment process, the committee helps ensure that new products and services are designed to fulfill the needs of consumers before they are launched. Berkshire maintains monitoring systems to ensure it 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 annual training for all new products and services.

Customer satisfaction

Berkshire views our customers’ satisfaction as paramount to our success and, as such, incorporated publicly disclosed measures and goals into our strategic plan to enhance our current performance. The Company’s goal is to be in the top quartile of all banks in New England in its Net Promoter Score, a measurement of customer loyalty that predicts business growth. Berkshire has made steady progress toward that goal and to ultimately achieve it, 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.



Berkshire’s Head of Retail Customer Experience identifies opportunity areas and drives integrated enhancements to the customer experience across the franchise. These efforts complement our partnership with J.D. Power, who complete a regular, comprehensive survey of our customers’ satisfaction with our in-branch and digital channels.

Responsible banking



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, financial center locations and hours, efficient customer service, agility of digital channels and service. As a result, we address these opportunities by developing new programs, service offering, enhancing employee training and upgrading our in-branch, call center and digital experiences. Berkshire maintains and updates ongoing customer service training programs, expanded Customer Contact Center hours and launched a new online and mobile experience. We expect that these collective actions will contribute to improvements in our customers’ experience and 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 Risk Management, Capital and Compliance 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 or any other area impacting customer experience. In some cases, regulations include specific steps to follow when a customer complaint is received. All business lines have a responsibility to respond to, accurately and timely resolve customer inquiries and complaints. 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.

Berkshire experienced an increase in the number of complaints in 2023 which can be predominately attributed to a higher volume of inquiries during Berkshire's digital banking conversion. Despite the higher number of complaints, overall customer satisfaction improved and can be attributed to upstream and downstream enhancements to the complaint resolution process, quicker resolution to complaints and customer experience improvements. We 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, 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, strategy, and governance in our 2023 Annual Report Form 10-K Item 1A Risk Factors and 1C Cybersecurity. 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:** The Company's Information Security Program provides direction for managing and protecting the security, confidentiality, integrity, and availability of the Company's information assets, including customer information under guidelines established as part of the Gramm-Leach-Bliley Act (GLBA). This program informs the organization of the administrative, technical and physical safeguards in place to adequately protect nonpublic personal information, as well as comply with applicable laws and regulations. The Information Security Program sets forth the Company's commitment to the continual review and improvement of policies, processes, procedures and standards for evaluating electronic and physical methods of accessing, collecting, storing, using, transmitting, disposing of and protecting customer information. The Company leverages relevant expectations from the Federal Financial Institutions Examination Council (FFIEC) and uses standards from the National Institute of Standards and Technology (NIST), among others, to control data security risk, as well as to assess the maturity and effectiveness of the program.
- **Acceptable Use Policy:** The purpose of the Acceptable Use Policy is to clearly establish each member of the Company's role in protecting its information assets and communicate minimum expectations for meeting these requirements. Fulfilling these objectives will enable the Company to implement a comprehensive systemwide Information Security Program. The policy applies to all users of computing resources owned, managed or otherwise provided by the Company. Computing resources include all Company-owned, licensed or managed hardware and software, email domains and related services, and any use of the Company's network via a physical or wireless connection, regardless of the ownership of the computer or device connected to the network.

- **Data Classification Policy:** The policy provides a framework for classifying and protecting information for the Company and aids in determining the appropriate security controls for the given data. Data classification involves the assignment of a label to data indicating the significance, risk and confidentiality of data in accordance with the definitions, roles and responsibilities provided in this policy. The label then assists the Company with ensuring proper safeguards are in place for the data. This policy is intended to be used in conjunction with Berkshire’s Data Governance Program.
- **Vulnerability and Configuration Management Policy:** Vulnerabilities create security weaknesses that can be exploited by criminals and other adversaries. The purpose of this policy is to ensure the company reduces risks resulting from exploitation of published technical vulnerabilities. The Company ensures all applications are fully supported by the vendor, maintains all support and maintenance agreements for the lifetime of the application, includes language in contracts requiring timely updates of applications, obtains timely information about technical vulnerabilities of systems and applications in use, evaluates its exposure to such vulnerabilities, takes appropriate, timely measures to address the associated risk, including, but not limited to, the patching of vulnerabilities.

The Information Security Program and all applicable policies apply to all Company operations, and employees receive annual training. Routine security assessments and internal/ external audits are conducted on a minimum of an annual basis to ensure internal controls are adequate. Updates and oversight on the information security program are provided by management to the Risk Management, Capital and Compliance Committee of the Board of Directors regularly, including two times in 2023. 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.

Responsible banking

Our cybersecurity strategy includes:

- A top-down focus on cybersecurity from our Board of Directors, Board Risk Management, Capital and Compliance 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. In addition, we expect third parties 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
- 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
- Dedicated Security Operations Center (SOC) and Managed Detection and Response (MDR) service that provides 24/7/365 monitoring of its environment to investigate and respond to security alerts. Log sources are mapped to the MITRE ATT&CK framework to ensure appropriate security monitoring and gap analysis to detect and respond to attacks
- Commitment to notify stakeholders in a timely manner in case of policy changes or data breach, obtain user data through lawful and transparent means with explicit consent where required, and collect and process user data that is limited to the stated purpose

Within the Information Security Program, the Company ensures processes and procedures for incident handling, investigations and responses, including details of the tasks, roles, responsibilities and accountabilities are maintained, reviewed and updated as appropriate. It also ensures security incidents are categorized and prioritized to ensure the continuity of core services within the Company and is prepared to effectively respond and contain security incidents. 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. An incident response retainer with an approved third party is contracted to assist in responding to security incidents and to conduct forensic investigations involving the potential compromise of sensitive data or information assets. 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. Berkshire’s privacy policy and statements outline the Company’s practices and consent requirements surrounding the handling of personal data and govern consumers’ rights regarding access, rectification and deletion of their 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 Gramm-Leach-Bliley Act (GLBA) and the Federal Right to Financial Privacy Act (RFPA).

The Company incorporates privacy and data security considerations throughout its operations, including the



development of new products, services and programs. Berkshire is committed to preventing and detecting fraud by providing ongoing education and resources to consumers through digital channels such as its website, emails and social media as well as through its financial centers. Each year, the bank celebrates fraud prevention week with a series of internal and external communications programs and customer events. Berkshire’s fraud prevention experts are regularly featured in regional media outlets. They raise awareness of emerging trends, provide best practices and communicate tips to help prevent fraud. Robust ongoing training and Berkshire’s Fraud Crushers Program, which rewards employees for helping to protect our customers’ privacy and preventing fraud, further amplify the Company’s strong commitment to privacy and fraud prevention.

Environmental & social risk management framework

At Berkshire Bank, the principles of sound risk management are incorporated into our values, operating principles, and policies which all employees are expected to follow. As a bank, risk is inherent in all of our business activities. Berkshire’s Enterprise Risk Management Program describes our risk management approach, providing clear ownership and accountability for managing all risks across the Company.

As part of those efforts, we maintain an Environmental and Social Risk Management framework to provide additional clarity and transparency around how we approach environmental and social risks, which can impact every aspect of our business. Like all risks, environmental and

Responsible banking



social risks require coordinated governance that clearly defines roles and responsibilities, along with integrated processes to ensure they are identified, measured, monitored and controlled.

Berkshire Bank takes a proactive approach to identifying and managing risks, which includes an ongoing process for identifying the topics that are most material to our company. Based on that assessment, our Environmental and Social Risk Management framework guides our approach to managing material environmental and social risks. Environmental and social risks can be a source of strategic, credit, operational, compliance and reputational risk which can impact Company performance and stakeholder value. A strong Environmental and Social Risk Management framework helps mitigate those risks and capture opportunities within the environmental and social dimensions of our business.

Building off our Environmental and Social Risk Management framework, in 2023 we implemented a formal Climate Risk Management Program, which addresses how we govern, identify, measure, monitor and control climate risk. All of our environmental and social related policies and standards apply to all Company and subsidiary activities

Environmental & social risk governance & oversight

Key to effective environmental and social risk management is having a strong governance structure, which integrates oversight across the enterprise.

- **Berkshire Hills Bancorp Board of Directors** is responsible for overseeing all aspects of the Company, including environmental, social and governance matters, to ensure we are effectively identifying, monitoring and mitigating

sustainability risks. These efforts are incorporated across the enterprise and into strategic planning. Additional details on our board's oversight of environmental and social matters can be found on later pages in this report.

- **Berkshire Hills Bancorp Corporate Responsibility and Culture Committee (CRCC):** In conjunction with the full Board, the CRCC sets the tone for Company culture, diversity, sustainability, and ESG. It helps oversee management's implementation of programs aimed at elevating responsible, ethical, sustainable, and equitable business practices. It also monitors Company performance and ensures risks are appropriately controlled.



Percent of employees completing Corporate Responsibility Policy Training	99%
Activities granted exceptions from Responsible and Sustainable Business Policy	0

- **ESG Committee (ESGC):** Berkshire maintains an extensive management committee structure, including the ESG committee, which is responsible for overseeing all aspects of ESG within the organization. The committee monitors performance and ensures appropriate strategies are in place to identify and mitigate environmental and social risk.
- **Executive Management and Chief Sustainability Officer (CSO):** The executive management team is responsible for promoting and communicating the Company's commitment to operating responsibly, ethically, sustainably, and equitably. The CSO is the head of Berkshire's sustainability and corporate responsibility activities and is responsible for facilitating the development, implementation and execution of programs designed to mitigate environmental and social risk.
- **Business Unit Heads:** The business unit heads are ultimately responsible for the line-of-business functions and for the environmental and social risks within their

operations and financing activities. They are accountable for implementing strategies approved by the CRCC and ESGC in a manner that complies with policies, rules, regulations and supervisory requirements. They are also responsible for the implementation, integrity and maintenance of management information systems used to monitor and report on environmental and social risks and controls within their areas of responsibilities.

- **All Employees:** Employees are accountable and responsible for adhering to the Company's sustainability policies and completing annual training. Relevant employees in credit, lending, and front lines receive training on social and environmental policies and procedures impacting their specific areas of responsibilities. Employees are also responsible for helping to identify opportunities in their areas of responsibility and advising their managers of potential ways to enhance responsible and sustainable business performance and mitigate risks.

Environmental & social risk identification and assessment

Berkshire uses a variety of tools and information systems, and maintains a framework to identify, assess and manage existing and emerging environmental and social risks in its operations and financing activities. This process is grounded in our materiality assessment and includes formal analysis and reporting as part of the Enterprise Risk Management program framework and guidance from regulatory agencies, nongovernmental organizations and broader stakeholder engagement. The primary tool for identifying these risks is through a base-tier and mid-tier risk assessment process, which assesses environmental and social risks and their impact to Company operations, credit, project finance, investments and broader communities.

Business units are ultimately responsible for mitigating risks within their operations and financing activities by identifying potential base-tier risks within their respective

functions. These risks are documented in the Company's risk register. In addition, the Company completes annual mid-tier risk assessments to evaluate the bank's operations, lending, and investment activities for potential exposure to environmental and social risks. This assessment includes a detailed review of risks and potential impacts across the Company's financing activities and operations. Emerging risk assessments are completed when potential risks rise to a level requiring proactive monitoring and possible interventions. The results of all these risk assessments inform Berkshire's forward environmental and social risk management strategies to ensure it's controlling and mitigating the risk.

Environmental & social risk monitoring

After identifying and determining the appropriate response to environmental and social risks, Berkshire continuously monitors these risks, impacts on its business activities and the effectiveness of its risk mitigation strategies. This includes monitoring of the external environment and government regulation, proactive stakeholder engagement, ongoing risk assessments and review of monthly reporting to identify shifts in the Company's exposure to sectors at highest potential to be impacted by environmental and social matters.

Environmental & social risk due diligence

Central to our strategy is active engagement with our clients. This engagement allows us to deepen our understanding of environmental and social topics, learn and share perspectives, and, create connections between stakeholders with differing views. Its the first step in our due diligence processes. Berkshire maintains due diligence methodologies to ensure it mitigates potential environmental and social risks. These due diligence

Responsible banking



processes and standards apply across credit, project finance, investment and depository businesses encompassing all Company and subsidiary operations. These due diligence processes are based on Company operating standards, sound risk management practices and third-party guidance, including but not limited to, the Equator Principles. Standard due diligence is conducted for all lending, investment and depository relationships, while enhanced due diligence is triggered based on the sensitivity of the industry, project, company policies and severity of potential environmental or social impacts. In some cases, these are also escalated to the CSO.

Standard due diligence

Standard due diligence is conducted for all lending, investment and depository relationships and projects 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, lending, investment and consumer teams depending on the nature of the relationship, project or transaction. 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 determine the customer, business, borrower or business activity poses heightened risk because it is subject to the Responsible & Sustainable Business sections of Berkshire's credit, loan, deposit or investment policies or the industry or projects pose heightened risk for severe environmental or social impacts, enhanced due diligence is triggered.

Enhanced due diligence

Enhanced due diligence includes a deeper analysis of topics, risks, documentation and assessments related to the transaction or relationship to ensure the company understands the full scope of potential impacts across risk categories and to its stakeholders. In some cases, a formal social and/environmental impact assessment is conducted to ensure a potential borrower or project has a track record, commitment, policies and procedures in place to minimize, manage, mitigate and monitor impacts. In such cases where a borrower can demonstrate appropriate mitigating measures, a transaction may be allowed to move forward but is treated as an exception-based loan and may be subject to additional ongoing requirements.

Restrictions & exclusions

Due to the severity of and sensitivity to certain environmental and social risks along with potential impacts, Berkshire maintains an exclusionary business list which includes, but is not limited to, private prisons and firearm, weapon and ammunition manufacturers and arctic drilling. Berkshire has no direct exposure to fossil fuel extractors/producers, coal mining, arctic drilling, palm oil and many other socially or environmentally sensitive areas, and generally will not do business with industries exposed to substantial social and environmental risks.

Environmental & social risk controls

The Company protects itself from potential risks and associated impacts through a system of formal controls. Collectively these controls are designed to protect the Company's reputation, mitigate negative financial, credit and operational impacts and enhance its positioning. These include:

- **Governance Mechanisms:** An extensive collection of Board and Management committees is responsible for overseeing operations and for ensuring that environmental and social risks are appropriately identified, controlled and monitored in accordance with Company standards.
- **Policies:** Company policies are designed to manage environmental and social risks in a consistent manner and align with the Bank's strategic priorities. Policies define the control and oversight standards to effectively manage risk within the defined risk appetite and are supported by procedures across businesses and functions. These policies, which apply to all Company operations and subsidiaries, include:
 - **Responsible & Sustainable Business Policy:** provides guidance to employees on the Company's environmental, social and governance (ESG) activities, business practices, codes and commitments.
 - **Climate Risk Management Program:** outlines roles and responsibilities for the board, management and all employees, definitions, along with procedures for identifying, measuring and assessing climate risk. The program also lays out Berkshire's system of controls which include governance mechanisms, formal policies, due diligence and insurance requirements, exclusionary criteria, business continuity planning, external relations, and employee education. Finally, the program sets expectations for responses to risk events or elevated risk levels, reporting and external disclosure. Ultimately the program helps identify, assess, mitigate and control climate risks protecting the Company, its stakeholders, communities and preserving shareholder value.
 - **Environmental Loan Policy:** provides guidance on environmental due diligence requirements prior to entering into, and throughout the life of, any real estate transaction secured by commercial properties or multifamily properties. The purpose of environmental due diligence is to assess the nature and extent of environmental conditions of the collateral and any associated risk posed by those environmental conditions in order to make sound business decisions and underwriting.
- **Investment Policy:** contains guidelines to be used by management in the execution of the overall corporate investment securities portfolio. This includes a list of prohibited securities that addresses social and environmental risks such as Fossil Fuel Extraction, Production, and Pipeline Construction, Petroleum and Coal Products Manufacturing, Mining, Firearms, Ammunition and Weapons Manufacturing, Private Prisons or Detention Centers, Arctic Drilling, Companies with known environmental violations by a local, state or federal agency or government that caused irreparable harm to biodiversity, critical habitats, the environment or are otherwise inconsistent with the Company's Responsible & Sustainable Business Policy.
- **Deposit Policy:** Outlines the types of deposit products offered and governance of common account-related activity to manage and mitigate risks associated with deposit accounts. This includes processes for addressing and completing further due diligence for businesses and nonprofit organizations that pose heightened social, environmental and reputational risks due to their involvement in highly sensitive activities such as certain nongovernmental entities, Fossil Fuel Extraction, Mining, Support Activities for Mining and fossil fuel Pipeline Construction, Chemical, Petroleum and Coal Products Manufacturers, Firearms & Ammunition Manufactures and Retailers, and Private Prisons and Detention Centers.
- **Loan Policy-General:** Defines how the Bank ensures that emphasis is placed on sound client selection, overall loan quality, attentive credit administration, regulation compliance, and proactive risk recognition, while continuing to pursue new business. The responsible and sustainable business section of this policy ensures that industries exposed to significant environmental and social risks, such as fossil fuel, nuclear energy and mining sectors receive appropriate due diligence and are treated as exception-based loans, only if the projects can meet rigorous standards. As a result, there is no exposure to fossil fuel extraction, producers, coal mining and other environmentally sensitive industries. The policy also includes a list of prohibited businesses,

Responsible banking

including, but not limited to, firearm and weapon manufactures, artice drillers, and coal mining/power. The policy helps ensure respect for biodiversity, critical habitats and the environment, ensuring projects are consistent with the Company's Responsible or Sustainable Business Policy commitments.

- **Transaction Due Diligence:** Berkshire maintains a formal due diligence framework for its business activities, which applies to all operations, and includes a standard and enhanced layer of due diligence with triggers and escalation processes. This process is further detailed in the proceeding "due diligence" sections of this report.
- **Exclusionary Criteria:** Due to the severity of environmental and social impacts associated with certain industries, Berkshire prohibits/excludes select industries exposed to substantial risk. Exclusions are included in applicable Company policies. The ESG Committee periodically reviews these lists of industries and updates as appropriate.
- **Stakeholder Engagement:** The Company regularly engages with its stakeholders to understand current and emerging trends that may affect its business and inform response and mitigation tactics to risks.
- **Employee Education:** Berkshire provides employee training and ongoing communications to ensure employees learn about relevant environmental and social matters that could impact the Company and its management of risks. These materials are delivered across several platforms to ensure employees receive information that is concise, digestible, understandable and relevant to their roles and responsibilities. These include both formal and informal training on applicable Company policies along with environmental and social risk briefs as emerging risks materialize. The goal of these efforts is to help employees understand how risk events could impact the Company and its stakeholders as well as educate them on the steps the Company is taking to mitigate those risks.

Our comprehensive approach contained in our Environmental and Social Risk Management Framework identifies, prevents and mitigates environmental and social risks to protect our stakeholders and communities, while supporting responsible risk-based decision-making and driving competitive returns.

Responsible asset management

Berkshire has a duty to act in the best long-term interests of our stakeholders. We believe that environmental, social and governance matters can affect the performance of our corporate investment portfolios as well as the portfolios of our clients. As such, Berkshire analyzes these factors through the investment process and engages on these matters with issuers, as appropriate. Ultimately our goal is to identify potential business and financial risk to protect customers, communities and our long-term sustainability.

Our Wealth Management division has developed Sustainable Investing Portfolios for clients, which are constructed to maximize impact and deliver competitive returns. They include mission-aligned companies with fundamentally strong track records across metrics that contribute to the long-term sustainability of communities and the health of the company itself. While the portfolios are a small component of the division's existing overall assets under management/administration, they grew by approximately 10% over the last year.

While Berkshire is not currently a formal signatory of the Principles for Responsible Investment, it has adopted and incorporated those principles into its policies and operations. Berkshire's corporate investment policy contains guidelines to be used by management in the execution of the overall corporate investment securities portfolio. This includes processes for managing exposure to certain industries, including fossil fuels, and includes a list of prohibited securities such as Fossil Fuel Extraction, Production, Pipeline Construction, Petroleum and Coal Products Manufacturing, Mining, Firearms, Ammunition and Weapons Manufacturing, Private Prisons or Detention Centers, along with companies with known environmental violations by a local, state or federal agency or government that caused irreparable harm to biodiversity, critical habitats, the environment or are otherwise inconsistent with the Company's Responsible & Sustainable Business Policy.



Leadership & governance



Board overview

Our corporate governance practices guide us as we look to deliver on our vision. The Company's Board of Directors is responsible for promoting and acting in the best interests of all shareholders of the Company. The Board is the ultimate decision-making body, except with respect to those matters reserved for shareholders. 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 strategy and performance of the Company and CEO. Additional information on board meetings, attendance and tenure can be found in our 2024 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 sustainability matters such as diversity, climate change, human capital management and other social topics.

Board composition and committees

Eleven Board nominees are presented in our 2024 Proxy Statement, 10 of whom are independent. Each board member brings a diverse background of skills, tenure, age and experiences that are necessary to oversee Berkshire's performance, exercise independent judgment and drive continued success. All members of the Board are up for annual election. Among the 2023 Directors, 38% are women and 31% are ethnic minorities — resulting in two thirds gender and ethnic diversity of the Board.

One of the responsibilities of the Board is to identify,

evaluate and select director nominees. We ensure 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 ensure that the appropriate knowledge, skills and experience are represented. In 2023, Berkshire named former Massachusetts Lt. Governor Karyn Polito, former investment banker Mary Anne Callahan and former Federal Reserve Bank of Boston President and CEO Eric S. Rosengren to the Board. Since 2020, four other new directors also joined the Board: Nina A. Charnley, Jeffrey W. Kip, Mihir A. Desai and Sylvia Maxfield, 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 five standing committees comprising directors and supported by designated officers for the purpose of advising the Board on operational matters: Corporate Governance/Nominating; Corporate Responsibility and Culture; Risk Management, Capital and Compliance; Audit; and the Compensation Committee. All committees are currently independent.

Board oversight of sustainability

Berkshire is committed to operating responsibly, ethically, equitably and sustainably, ensuring the future success of all 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 Company culture, diversity and sustainability.*** 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 Culture, Environmental, Social, Governance, Corporate Responsibility, and Diversity, Equity & Inclusion

("DEI") programs. The committee is appointed by the Board to approve policies and oversee management's implementation of programs.

The Committee meets quarterly to review performance and approve relevant policies. Berkshire's comprehensive approach ensures that the board committee and full board receive regular reports from management on environmental and social dimensions of its business such as human capital management, diversity, stakeholder relations, climate change, community impact, and cybersecurity. The content of the reports include updates on performance, regulatory developments and emerging risks from the internal and external environment. These reports allow the board to develop a sufficient understanding of the Company's impacts, management's programs to mitigate those risks and capture opportunities. It helps inform strategic planning, create accountability and, along with management committees and senior leaders, provides visibility throughout the organization.

Executive compensation

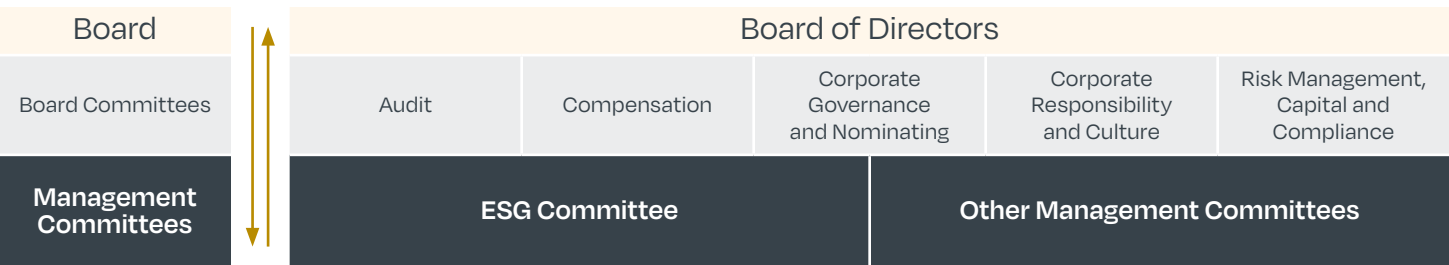
Our philosophy is to provide an executive compensation program that rewards creation of long-term value for our shareholders, promotes sound risk management and aligns with our vision.

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% paid over time



Leadership & governance



SELECT COMPANY POLICIES

- | | |
|--|---------------------------------------|
| ▪ Whistleblower Reporting Line Policy | Sustainable Business Policy |
| ▪ Bank Secrecy Act/ Anti-Money Laundering Policy | ▪ Reputation Risk Management Program |
| ▪ Bank Security Program | ▪ Third-Party Risk Management Policy |
| ▪ Climate Risk Management Program | ▪ Capital Planning Policy |
| ▪ Compliance Risk Management Policy | ▪ Investment Policy |
| ▪ Community Reinvestment Act Policy | ▪ Interest Rate Risk Policy |
| ▪ Corporate Governance Policy | ▪ Funds Management & Liquidity Policy |
| ▪ Crisis Management Plan | ▪ Data Governance Program |
| ▪ Deposit Policy | ▪ Model Risk Management Program |
| ▪ 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 | |

Berkshire’s short-term incentive (“STI”) program includes a specific ESG component in the calculation of the total STI plan funding. This measurement is based on a qualitative assessment of Berkshire’s ESG rankings, its social/ community impacts, and other results of its ESG initiatives, which include diversity, human capital and sustainability items. The ESG component follows the significant progress the Company made in developing and implementing its ESG and sustainability programs. It also supports our objective to align executive compensation with strategic objectives create long-term value for shareholders, manage risk and support our vision. The sustainability items are further incentivized through the overall qualitative operation of our compensation program. This is fundamentally addressed through the operation of our strategic plan, which sets out top quartile ESG rankings as an objective and also drives results in overall targets (including sustainability targets).

Executive base salaries, and the individual payouts under our short- and long-term incentive plans, include an assessment of individual performance, which is evaluated qualitatively for the achievement of these goals. Specific reference to such achievement was included in the evaluation of CEO and other NEO contributions in the 2024 proxy statement. This also included emphasis on our \$5 billion BEST Community Comeback financing program to strengthen our communities, which includes specific goals for lending and investments in low- to moderate-income communities lending for low-carbon projects, 100 percent renewable electricity usage, and overall greenhouse gas (GHG) emission reduction.

Additional information on our executive compensation program for 2023 can be found in our 2024 Proxy Statement Compensation Discussion and Analysis.

Risk management and compliance

Our Enterprise Risk Management (ERM) office, under the direction 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 and 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, Capital & Compliance 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

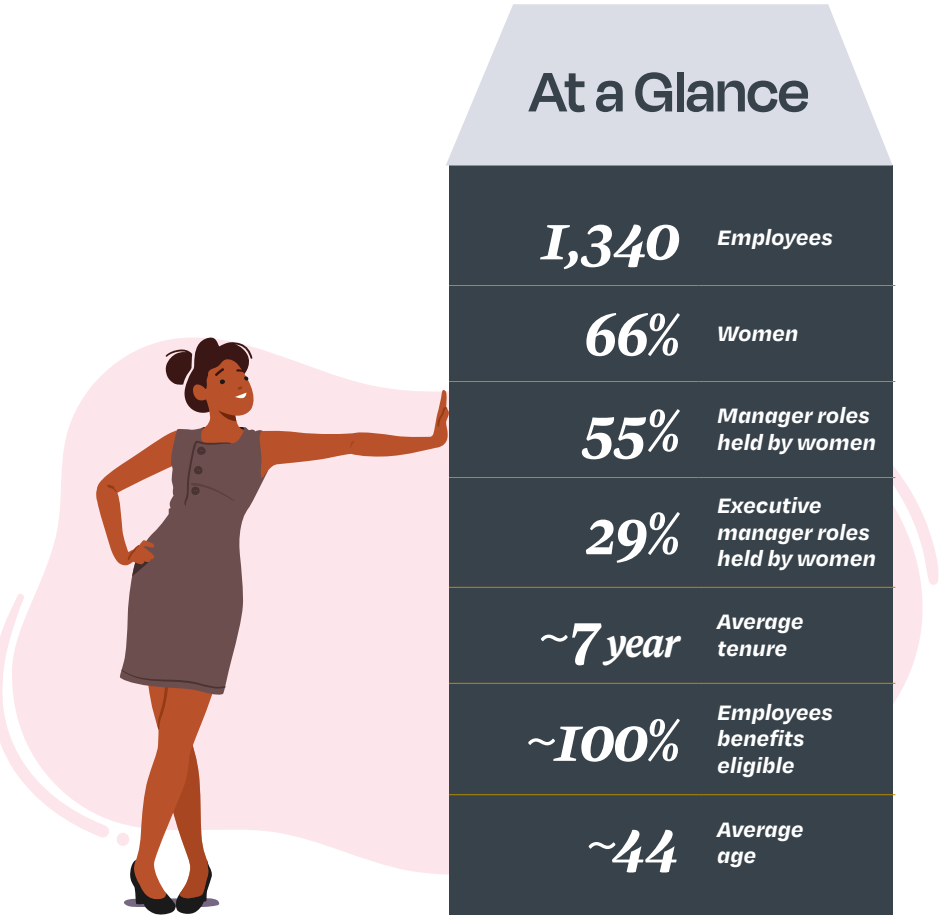
The Compliance function, under the direction of our Executive Vice President, Chief Compliance Officer, helps ensure the Company complies with the letter and the spirit of all federal and state laws and regulations that are applicable to its operations, including those involving civil rights, fair lending, 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.

Internal audit

The primary role of the Internal Audit Department (IA) is to help the Board of Directors and executive management protect the assets, reputation, and sustainability of the Company. IA provides independent and objective assurance as to whether the design and operational effectiveness of the Company’s framework of risk management, control, and governance processes, as designed and represented by management, is adequate to ensure the Company achieves its business objectives while meeting regulatory and legal requirements and its responsibilities to shareholders, customers, and staff. Culture and ethical standards are assessed in various audits to hold Berkshire accountable for its business practices, including regulatory compliance, anti-fraud and anti-corruption activity.

Human capital management



Berkshire’s people are the driving force behind its progress on its strategic goals, ability to deliver tailored financial solutions for its clients and vision to be a high-performing, relationship-focused, community-driven bank. The Company’s approach to human capital management is grounded in its corporate values, business strategy and focuses on:

- Strong oversight and risk management practices
- Recruitment
- Compensation & Benefits
- Training, Development, Engagement & Retention
- Health & 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 & Culture committee oversees company culture as well as diversity, equity and inclusion. The full Board also receives an annual briefing on employee engagement. The SEVP, Chief Human Resources & Culture Officer provides management oversight on human capital matters. The Company proactively identifies potential human capital related risks, such as the labor market shortage, skills gap, rising labor and health care costs, and employee retention and designs strategies to mitigate those risks. Strong human capital management is viewed as integral to the Company’s ability to meet its strategic objectives, deliver a superior client experience and drive sustainable shareholder returns.

Recruitment

Berkshire operates in a highly competitive labor market with strong competition for top talent. The Company relies on and continues to recruit employees with the right mix of skills, expertise and experiences. The Company forecasts its hiring needs based on attrition, skills assessments, market conditions, resource availability and strategic objectives. This helps inform corporate strategies to fill current and future open positions. The Company leverages several strategies to support its talent pipeline and talent acquisition activities including formal advertising, postings on targeted career sites, career events, internship placements, affinity group relationships, and the use of experienced external recruiters for key management and specialized positions. Berkshire also maintains a small internal team of talent recruitment professionals.

Berkshire maintains a hybrid work model to expand its access to top talent and provide its employees with workplace flexibility. These strategies have proved effective in meeting the demand for talent demonstrated by the Company’s strong track record of attracting high-caliber talent across retail, commercial, private banking, wealth management, business banking, technology and operational areas. In addition, as market disruptions from mergers remain and macroeconomic pressures impact many companies, Berkshire will continue to leverage its differentiated brand and unique market positioning to hire community-focused bankers from its competitors and attract high-performing operational talent from outside the industry.

Compensation and benefits

A highly competitive labor market along with inflationary and macroeconomic pressures has impacted labor costs for all businesses. Berkshire is not immune to these economic pressures. The Company continually evaluates its compensation strategies and benefits programs, benchmarks to industry and peers and surveys the landscape of best practices to develop compensation and benefits packages that reward performance and retain top talent at all levels of the Company. Against this backdrop, Berkshire raised the minimum starting pay to \$17/hour and enhanced its vacation, wellness and bereavement benefits. It also restructured its incentive plans across lines of business to provide opportunities for employees to earn higher compensation and bonuses for strong performance aligned with Berkshire’s financial and non-financial objectives.

Berkshire provides comprehensive medical coverage, paid vacation, personal and sick time, paid protective leave for gender-based violence, a 401(k) plan with employer match, long-term disability insurance, and group term life insurance. In addition, Berkshire offers a day care reimbursement program, a dependent care expense account, family and medical leave along with flexible work arrangements, including the ability to work fully remote dependent on the duties of one’s job. All benefits are available to married same-sex or different-sex couples as well as domestic partners. In addition to its compensation and health benefits, Berkshire offers volunteer-time off, a matching-gift program, an employee assistance program, regular performance reviews, professional development and the You FIRST Fund to help employees impacted by personal financial hardships. Nearly 100% of employees are eligible for benefits.

Human capital management

Training, development, engagement and retention

Training and development programs provide employees with the knowledge and skills needed to succeed and have upward career mobility. They are critical components, along with competitive compensation and benefits programs, to having an engaged workforce. Ultimately an engaged workforce drives high levels of productivity and retention which reduces human capital risks, expense, and advances Berkshire’s progress and performance.

The Company provides several learning and training programs consistent with one’s job responsibilities, professional goals, and development plans. Employees have regular performance assessments to identify strengths, areas for further growth and career interests. Berkshire continues to reskill and upskill employees from across the Company helping them advance along career paths by taking on expanded responsibilities and roles. The Company offers a mentoring program for high potential employees along with development programs to equip employees with the knowledge and skills to be successful. These programs are offered across a variety of mediums and channels to improve accessibility. Berkshire remains committed to providing pathways for its associates to grow and maintains succession plans for key leadership positions. Approximately 11% of the workforce was promoted in the prior year.

Berkshire encourages its employees to participate in appropriate educational opportunities to expand their professional experience, aid them in their current position or support their self-development to benefit both the employee and Company. As such, the Company offers educational assistance along with access to formal degree and certification programs, including college courses and Center for Financial Training (CFT) programs. All courses must be approved by the employee’s supervisor, division head, and the Human Resources Department prior to enrollment. Non-officer employees become eligible to participate after three months of employment, while officers are eligible upon commencing employment. Regular full-time employees may request to enroll in one CFT course or one college course per semester. After one year, full-time employees are eligible for two CFT courses or two college courses per semester that are business or banking related, directly related to the employee’s present position, or are required for completion of a business, banking, or position-related degree, diploma or certificate program. Part-time employees are eligible to take one CFT course or one college course per semester directly related to their present position, or that’s

required for completion of a business, banking, or position-related degree, diploma or certificate program. The Company will pay up to \$760.00 per course for approved tuition costs directly to the institution at the time of enrollment. In addition, employees may request reimbursement for textbooks and course materials purchased for each Company-paid course up to a maximum of \$100.00 per course, separate from tuition.

Berkshire continues to monitor the progress of its efforts to evaluate the effectiveness of programs and strategies on retention and engagement. A comprehensive annual employee engagement survey is conducted to identify strengths and opportunity areas within the organization. Overall, employees felt there was a strong spirit of teamwork, that Berkshire genuinely cares for its communities, and they have strong relationships with their direct managers. Actions plans are developed for areas identified in the survey that do not meet the Company’s high expectations. Beyond a formal engagement survey, Berkshire provides regular opportunities for managers and employees to ask questions, raise concerns and make suggestions for ways to build a better and stronger company. This includes regular quarterly employee town halls and leadership forums, an employee suggestion program and regional gatherings that provide employees with direct access to Company leaders.

Berkshire continues to make progress reducing turnover, which decreased year-over-year and by 10% since 2021. This progress is the direct result of the actions it has taken to improve engagement and combat turnover including:

- Launched Company-wide reward and recognition program
- Enhanced vacation benefit
- Introduced wellness day
- Enhanced line of business incentive plans
- Established career paths for various job families
- Increased starting wage
- Offered mentoring program
- Developed robust employee communications program
- New employee events

Collectively these efforts have led to improved retention in each of the last three years, record high employee engagement and being named a Forbes America’s Best Midsize Employers.

Health and wellness

Berkshire works hard to keep its employees safe, healthy and support their physical, mental and financial wellbeing. It provides its workforce comprehensive programs, benefits and a health and wellness employee resource group. The Company also creates a workplace environment that is accessible and free from occupational hazards. The Company, through its insurance provider, offers a fitness, weight and mind/body reimbursement along with a year-round calendar of various wellness related activities. Since physical and mental health go hand-in-hand with financial health, Berkshire provides access to financial education resources, webinars along with its You FIRST Fund to assist employees experiencing financial hardships.

Additionally, Berkshire provides a comprehensive employee assistance program which includes counseling services and resources for those experiencing mental health challenges. To further support the needs of its workforce, employees have access to a wellness day to disconnect, recharge and take care of themselves in whatever way works best for them. The Health & Wellness Employee Resource Group provides yet another channel for employees to participate in regular programming and advocate for health and wellness options that suit their needs and interests.

Workplace of the future

Berkshire continues to evolve and enhance its human capital management strategies to drive organizational growth in support of strategic priorities while combating risks, such as the labor market shortage, skills gap and rising labor and health costs. The Company expects to maintain its hybrid workplace over the long-term, invest in technology to streamline processes and ensure the workforce structure is aligned with the Company’s forward operating needs. While technology continues to play a bigger role in the future of Berkshire, helping to improve processes and drive efficiencies, people will always be at the core of its ability to deliver expert advisement and tailored solutions to its clients which in turn drives value for its shareholders and communities. The Company remains confident that the Berkshire brand, value proposition and vision will continue to be a differentiator in the market.



You FIRST Employee Assistance Fund helps colleagues impacted by hardships

Human capital management



RECORD HIGH EMPLOYEE ENGAGEMENT

What employees are saying:

- Understand Berkshire’s values
- Feel their manager is accessible
- Feel their manager respects them
- Spirit of cooperation and teamwork
- Clear understanding of the results expected of them in their job

Diversity, equity and inclusion

Creating a diverse, accessible, inclusive and equitable workplace is an essential enabler to advancing the Company’s strategic goals, social and environmental commitments and vision. Ultimately Berkshire’s goal is to attract and retain individuals from a wide range of backgrounds, cultures and experiences so that the workforce, executives and board composition reflect the diversity of the communities in which it operates. It also seeks to ensure equity, accessibility, fairness and impartiality in all aspects of the Company’s workplace, banking practices and financial solutions while fostering an inclusive environment where all employees feel valued, respected and empowered.

The Company advances those goals through an integrated approach that includes:

- Strong oversight and governance practices
- Talent management and recruitment
- Education and training
- Workplace programming
- Multicultural community engagement
- Equitable product and service development
- Supplier diversity

Governance

The Company has a strong foundation of governance practices to ensure that diversity, equity and inclusion is embedded into Berkshire’s business activities. This includes the Corporate Responsibility & Culture Committee of the Board of Directors which oversees DEI performance. Berkshire’s Diversity, Equity & Inclusion Committee, which reports into the Board committee, provides additional management level oversight to the Company’s programming and performance. The Senior Vice President, Chief Diversity Officer leads and executes the Company’s DEI strategy and programming.

Workplace

Berkshire continues working to improve representation within its workplace through recruitment initiatives while enhancing its internal talent pipeline to ensure representation at all levels of the Company. Berkshire identifies opportunities in targeted markets and business lines, develops deeper partnerships with non-profit organizations and affinity groups, advertises positions on specialized career sites, participates in affinity career events and uses internal as well as external recruitment professionals to ensure it receives candidate pools that reflect the rural and urban communities in which it operates. It works to develop and implement strategies aimed at increasing representation at each level of the Company. As a result of Berkshire’s efforts, workplace diversity at the manager level improved year over year.

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.

Annually, the Company completes a review of pay and performance measures to ensure that all employees, regardless of gender and ethnicity, in comparable roles are compensated equitably. As a result of Berkshire’s intentional and impactful efforts to date, Berkshire was listed in the Bloomberg Gender Equality Index and Human Rights Campaign’s Corporate Equality Index.

Human capital management



Diversity, Equity and Inclusion at A Glance

Percent workforce comprised of women	66%
Percent of workforce comprised of ethnic minorities	16%
Percent of the Board comprised of women	38%
Percent the Board comprised of ethnic minorities	31%
Percent of manager roles (officer+) comprised of women	55%
Percent of manager roles (officer+) comprised of ethnic minorities	12%
Percent of executive management roles comprised of women	29%
Percent of executive management roles comprised of ethnic minorities	14%
Percent workforce comprised of those with a disability	5%

Employee resource groups

Berkshire offers six 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, programming 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 & Inclusion Committee for action, empowering employees to collectively be engines of positive change within the workplace and the broader community.

Education and training

Berkshire provides a full suite of diversity, equity & inclusion trainings. The trainings help build understanding and provide employees with knowledge, skills and tactics they can put into practice. Employees complete training annually through a combination of required and elective DEI-themed courses. Berkshire intends to enhance its training program in 2024 to deepen alignment with corporate goals. The training programs help form the basis for more inclusive recruitment, hiring, retention and customer service strategies going forward.

Supplier diversity

Berkshire also understands that a diverse third-party base is important to achieving its operational goals, supply chain resilience, and vision. As a result, Berkshire works to maintain a third-party base that reflects the communities in which it operates and, to the maximum extent possible, increase the utilization of third parties owned by underrepresented people. We encourage employees to seek out potential third-parties and facilitate connections with underrepresented suppliers through industry and affinity group partnerships.



SUPPLIER DIVERSITY*

- Minority Owned 4%
- Women Owned 12%
- LGBTQIA+ 1%
- Veteran Owned 3%
- Disability Owned 1%
- Small Business 46%

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



Community investments



Lori Kiely
Managing Director,
Berkshire Bank Foundation

"I am honored to guide Berkshire Bank's support of the non-profit organizations doing such important work in all of the communities that we serve. A key piece of our culture at Berkshire Bank is giving back, and this is demonstrated not only by our philanthropy, but by the thousands of hours of volunteer service devoted by our Berkshire Bankers."

Corporate giving and Berkshire Bank Foundation

For over 175 years, Berkshire has continuously worked side-by-side with its nonprofit partners to build stronger, more just and sustainable communities. Through our philanthropy and by harnessing the collective skills and resources of our employees, we're helping turn possibilities into realities for individuals across New England and New York. Overall, we invested \$3.4MM in our communities in 2023, including \$2.5MM 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 by 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.

Employee volunteerism & giving

We understand that being a committed community partner is about more than writing a check. It's about taking action and harnessing all that a business has to offer to lift up our communities. We provide our employees with paid time off to be part of the XTEAM, our nationally acclaimed Employee Volunteer Program, and offer a Matching Gifts program to help amplify the philanthropic efforts of all our Berkshire bankers. 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. Last year Berkshire bankers responded in a big way with 89% participating in the program, nearly three times the national average. They contributed more than 21,500 hours of volunteer service valued at nearly \$700,000 through 269 projects.

Powering our communities

 **\$2.5 million**
in foundation grants

 **\$3.4 million**
in community contributions

 **538**
organizations supported

 **78%**
of grants benefit low- to moderate-income communities

 **89%**
employee volunteer participation

 **21,542**
employee volunteer hours



XTRAORDINARY DAY

Berkshire's signature day of community action, Xtraordinary Day, returned in 2023 as the Bank closed its doors at noon so that more than 1,000 of its employees could complete 47 service projects contributing 4,000 hours across Berkshire's five-state footprint.



HILLCREST

Hillcrest Educational Centers provides a range of clinical, psychological and special education services for children, adolescents and families in Berkshire County, Massachusetts, and across the Northeast. It employs more than 500 people.

Demand for Hillcrest's services frequently outpace available resources, so the agency turned to Berkshire Bank to refinance its entire business to help give their clients a reason for hope.



Environmental sustainability

Climate change and natural resource management

Overview

Climate change manifesting in the form of both physical and transition risks could adversely, either directly or indirectly, affect Berkshire's operations, businesses, 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 allow it to strengthen its positioning as a high performing, relationship-driven, community-focused bank.

Internationally recognized sustainability reporting standards and the Taskforce on Climate-Related Financial Disclosure (TCFD) recommend 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, any regulatory requirements, as well as the size, scope and complexity of its operations.

Governance

Berkshire actively manages climate-related risks and opportunities throughout the organization. The Company's Board of Directors and its Corporate Responsibility & Culture Committee provide oversight on sustainability and climate change. Management and the board evaluate climate-related risks and opportunities and incorporate the results of risk assessments and discussions into strategic planning, product development, programming and relevant risk-mitigating measures. All business risks are also integrated into our Enterprise Risk Management program and discussed by other applicable Board Committees, including the Risk Management, Capital and Compliance Committee. Both Committees report to the full board.

Beyond board level oversight of climate matters, Berkshire maintains an ESG committee of senior executives throughout the Company, including the CEO, COO, CFO, Chief Risk Officer and business unit heads and is chaired by the Chief Communication & Sustainability Officer. The committee reviews climate risks and opportunities, and ensures robust management oversight. 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. Climate related matters are further governed according to Berkshire's Climate Risk Management Program policy. Further details on our governance of Climate related matters can be found as part of the Environmental & Social Risk Management as well as the Board Leadership and Governance sections of this report.

Risk management

Berkshire's Climate Risk Management Program policy outlines roles and responsibilities for the board, management and all employees, definitions, along with procedures for identifying, measuring and assessing climate risk. The program is aligned with the broader Enterprise Risk Management (ERM) program. The program also lays out Berkshire's system of controls which include

governance mechanisms, formal policies, due diligence and insurance requirements, exclusionary criteria, business continuity planning, external relations, and employee education. Finally, the program sets expectations for responses to risk events or elevated risk levels, reporting and external disclosure. Ultimately the program helps identify, assess, mitigate and control climate risks protecting the Company, its stakeholders, communities and preserving shareholder value.

Each of Berkshire's business areas consider climate-related risks and opportunities within their scopes of responsibility. Like other financial institutions, we evaluate the potential for climate risk across our lines of business on an ongoing basis. We understand that some climate-related risks may manifest over a long time period, while other events or developments could drive a more immediate impact. In response, Berkshire continues to enhance its capabilities to assess, monitor and mitigate potential short- and long-term risks posed by climate change in a manner that reflects the size, scope and complexity of climate-related risks.

Risk identification and assessment

Berkshire uses a variety of tools, information systems, and maintains a Climate Risk Management program to identify, assess and manage existing and emerging climate risks across the organization. This includes formal analysis and reporting as part of the Climate Risk Management program and guidance from regulatory

Environmental sustainability

agencies and governmental agencies. The primary tool for identifying these risks is through a base-tier and mid-tier risk assessment process. To assist in the identification of potential physical risk events, Berkshire uses publicly available climate scenarios and weather information to detect potential severe weather events which could impact its operations within its footprint over short, medium and long-term horizons. For transition risk, Berkshire uses publicly available climate scenarios and guidance to identify industries at the highest risk to be impacted by the transition to a lower carbon economy as a result of increasing regulation, shifting consumer preferences and policy.

Business lines are responsible for identifying potential base-tier risks within their respective functions. These risks are documented in the Company risk register. In addition, the Company completes a mid-tier climate change risk assessment to evaluate the bank’s operations and lending activities for potential exposure to transition and physical risks. This assessment includes detailed reviews of specific companies, sectors and overall portfolio concentrations. Risks are assigned a risk rating using the Company’s Climate Risk Management Program. The results of the risk assessment guide Berkshire’s forward climate management and environmental sustainability strategies to ensure it is actively managing the risks and opportunities.

Risk monitoring

After identifying and determining the appropriate response to risks, Berkshire continuously monitors these risks and its business activities as well as the effectiveness of its risk mitigation strategies. This includes monitoring of the external environment and government regulation, proactive stakeholder engagement, ongoing climate risk assessments and review of monthly reporting to identify shifts in the Company’s exposure to sectors at highest potential to be impacted by transition or physical risks. Berkshire’s Climate Risk Management Program further details the Company’s framework, expectations and requirements for risk monitoring as it continues to advance its capabilities to monitor, evaluate and control impacts.

Risk controls

The Company protects itself, its stakeholders and environment from potential climate risk through a formal system of controls outlined in its Climate Risk Management Program policy. Collectively these controls are designed to protect the Company’s reputation and mitigate strategic, credit and financial risks. These include but are not limited to:

- **Governance Mechanisms:** Board and Management committees are responsible for overseeing operations and for ensuring that climate risks are appropriately identified, controlled and monitored in accordance with Company standards and the Climate Risk Management Program policy.
- **Policies:** Company policies are designed to manage climate risks in a consistent manner and align with the Bank’s strategic priorities. Policies define the control and oversight standards to effectively manage climate risk within the defined risk appetite and are supported by procedures across businesses and functions. These policies, which apply to all Company operations, include but are not limited to the Climate Risk Management Program, Responsible & Sustainable Business Policy, Environmental Loan Policy, Investment Policy, Deposit Policy and Loan Policy-General.
- **Transaction Due Diligence:** Berkshire maintains a formal due diligence framework for its business activities, which applies to all operations, and includes a standard and enhanced layer of due diligence. These processes are detailed in the Environmental & Social Risk Management section of this report.
- **Exclusionary Criteria:** Due to the severity of climate impacts associated with certain industries, Berkshire prohibits/excludes select industries exposed to substantial climate risk. These exclusions are included in applicable Company policies, including, but not limited to, the Loan Policy General and Investment Policy. The ESG Committee periodically reviews these lists of industries and updates as appropriate. As a result, Berkshire has no direct exposure to fossil fuel producers/extractors, coal mining, projects in critical habitats, palm oil, and arctic drilling. The Company generally does not do business with companies exposed to significant climate risks.
- **Insurance Requirements:** For residential and commercial properties secured by real estate. Properties located within flood districts are also required to carry appropriate insurance coverages. These mitigating measures help reduce potential financial impacts associated with physical risk events on properties within Berkshire’s portfolios.

Strategy

Berkshire’s strategy focuses on three core components to drive sustainable progress:

1. Assessing and managing climate-related risks
2. Minimizing Berkshire’s impacts on the environment
3. Enabling clients and capturing business opportunities arising from the transition

Utilizing our Climate Risk Management Program Policy and Environmental & Social Risk Management framework, 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.

As a bank, it’s important for us to understand and assess how climate risks could impact our business and our customers. We’ve identified three areas of our business that are most vulnerable to climate risks: our residential mortgage and commercial real estate portfolios (CRE) as well as our commercial and industrial (C&I) portfolio. To assess the vulnerability of our residential and commercial real estate portfolios, we evaluated how physical risks, such as direct damage from hazards, could impact property values, repayment and residual values. Ultimately, we found that flooding was the largest threat due to the geographic distribution of the portfolio. Our C&I portfolio is most vulnerable to transition risks. To assess transition risk, we looked at Berkshire’s C&I portfolio at the industry level using the North American Industry Classification System (NAICS) and then assessed each sector’s vulnerability based on how these industries operate today and how they are projected to be impacted by shifting consumer preferences and regulation. Due to the size, scope and complexity of our operations, we focus on industries most vulnerable to transition risk.

Environmental sustainability

Risks

Our assessment processes primarily look at the two main sets of climate risks (transition and physical risk) and their 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. Transition risks over short-, medium- and long-term horizons can include changes in consumer preferences, additional regulatory requirements or policy such as taxes, and use of new technologies. Such developments could increase Berkshire's, its customers' and third parties' operating costs, reduce demand for services from select customer segments and impact current strategies. Reputation and customer relationships could be damaged as a result of Berkshire's practices related to climate change mitigation as well as through its or its customers' direct or indirect involvement with industries or projects with heightened climate related risks. Over the long term, transition risks could also manifest in potential credit impacts affecting borrowers' ability to repay obligations, increasing operating costs, creating stranded assets, uncertainty of residual values and potential loan losses.

Over the short term, the likelihood and impacts of transition risks are expected to be muted, but as we look out over medium- and long-term horizons, existing legislation and further shifts in the economy will begin to elevate risk levels leading to an increased probability for impacts. Approximately 5% of Berkshire's C&I portfolio is exposed to the highest level of transition risk over the long term. These transition risks are managed through ongoing monitoring, existing industry exclusions, due diligence processes, policies, insurance requirements, business continuity planning, target setting and product development.

- 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. The physical risks of climate change over short-, medium- and long-term horizons include weather-related events, such as flooding and tornados, and longer-term shifts in climate patterns, such as extreme heat, rising sea levels and more severe droughts. Such events could disrupt Berkshire's operations and impact customers or third parties on which Berkshire relies, including through direct damage to physical assets and indirect impacts from supply chain disruption and market volatility. This could impact borrowers' ability to repay obligations, devalue physical assets resulting in uncertain residual values and affect third parties' ability to deliver

Climate risk heat map and credit exposure of Berkshire's commercial and industrial (c&i) portfolio:

SECTOR	TOTAL EXPOSURE (\$)	% OF TOTAL C&I PORTFOLIO	TRANSITION RISK	PHYSICAL RISK
Real Estate	\$231MM	17%	Medium	Medium-High
Utilities	\$38MM	3%	High	Medium
Transportation	\$26MM	2%	Medium-High	Medium-Low
Insurance	~\$4MM	<1%	Medium	High
Mining	\$386M	<1%	High	Medium
Oil and Gas Extraction/Refining/Pipeline	\$0	0%	High	High
Retail Trade (Gas Stations)	\$22MM	2%	High	Medium-High
Agriculture	\$1MM	<1%	Medium	Medium

**Dollars reported are as of risk assessment date 12/31/2023. The loan population for this assessment looked at Berkshire's C&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.*

on service expectations. In turn, this could lead to operational disruptions, loan losses and an inability to fully recoup funds due to uncertain residual values over long-term horizons.

Over the short and medium term, the likelihood and impacts of physical risks are expected to be episodic and isolated, but as we look out over longer-term horizons, changes in water levels around low-lying areas as a result of global warming and/or more frequent weather-related events will begin to elevate risk levels leading to an increased probability for impacts. Less than 1% of Berkshire's residential mortgage portfolio and approximately 13% of its commercial real estate portfolio could be exposed to varying levels of physical risk, most notably flooding. These physical risks are managed through ongoing monitoring, due diligence processes, policies, insurance requirements, balance sheet management, business continuity planning, target setting and product development.

Natural resource management

Berkshire continues to minimize its use of and impact on natural resources as well as reduce waste within its operations. As part of Berkshire's responsible and sustainable business policy, the Company has laid out a clear commitment to protect critical habitats and biodiversity as well as a policy to reduce waste within its operations. We ensure projects meet local, state and federal environmental regulations and permitting requirements. For projects in industries with potential for significant impacts, additional due diligence may be

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	\$566MM	13% (CRE)
Residential Mortgage	\$4.5MM	<1% (Mortgage)

required for projects to be considered for financing. We provide multiple business waste recycling initiatives, including technology recycling, ensuring no technology ends up in landfills, shred bins to recycle paper, and filtered water at locations to reduce plastic and paper consumptions, and we encourage employees to use reusable drinking containers and packaging.

We continue to monitor the development of frameworks, including the Task-Force for Nature Related Financial Disclosure, as we look to further assess the risks and opportunities arising from how the Company impacts the natural environment. That being said, as a community bank operating in the Northeastern United States, Berkshire's core business activities have limited impacts on the natural environment, especially in light of local controls and its strong existing Company policies, programs and processes designed to mitigate potential negative impacts.

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 announced and has nearly doubled a goal to lend and invest \$300MM in low-carbon projects. In addition, we believe that Berkshire is equipped to build resilience in our communities and across our own operations in three key areas:

- Improving our own operational performance by accelerating our 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.

We've made steady progress in all these areas, achieving 100% renewable electricity use, reducing our GHG emissions, and optimizing surplus real estate. In addition to the environmental benefits, these actions have helped reduce operating costs.

Environmental sustainability

2. Growing our business to harness the momentum of the low-carbon transition through financing renewable electricity generation, green building development, sustainable investing (SRI) portfolios and more, which complement our other environmentally conscious financial solutions, such as our MassSave® Heat Loan.

Berkshire has made significant progress increasing its financing of green projects across its portfolios, as it explores additional innovative opportunities to collaborate with the public and private sector to accelerate the transition. This included the successful allocation of an amount equal to the proceeds of its inaugural a sustainability bond, the first such issuance by a U.S. bank holding company with under \$150B in assets. The issuance supported Berkshire’s sustainable finance activities while lowering its cost of capital.

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 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 set a \$300MM target to help finance the green transition by the end of 2024 and has deployed the equivalent of nearly

double that as of year-end. Berkshire continues to explore medium-term Scope 1 and Scope 2 GHG emissions reduction goals as it strives to reduce its overall emissions. As of year-end, Berkshire had already eliminated its Scope 2 emissions and reduced its Scope 1 emissions by 31% from the prior year. Ultimately this led to an overall scope 1 and 2 emissions reduction of 36%. Contributing to the emissions reductions was the transition to 100% renewable electricity, achieved through a combination of power purchase agreements, virtual net metering, greening of the grid and a small number of renewable energy credits.

The Company continues to reduce its Scope 3 impacts of purchased goods, including paper usage, by 77% from its 2014 baseline. The Company also sourced 93% of its paper products from sustainable sources including recycled, SFI and FSC products. Berkshire continues with its real estate optimization effort to further reduce our environmental footprint and we implemented a 100% virtual network in our financial centers that decreases energy usage, enhances our security posture and increases uptime to better serve our customers. Collectively, these efforts will help drive further reductions in GHG emissions as Berkshire continues to mature its program.

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.



Electricity use by state

STATE	% RENEWABLE	TOTAL USE (MWH)
MA	100%	5545
CT	100%	842
RI	100%	300
VT	100%	188
NY	100%	2256

Greenhouse gas (GHG) inventory

	CONSUMPTION (2023)	UNIT	2022 EMISSIONS (TCO2E)	2023 EMISSIONS (TCO2E)	PERCENTAGE OF 2023 TOTAL
Scope 1: Direct GHG Emissions					
Natural Gas	303,670	THM	2473.6	1,612.9	75%
Propane	7,458	THM	81.6	47.1	2%
Oil	44,104	THM	313.9	329.8	16%
Total Scope 1	355,232	THM	2869.2	1,989.8	93%
Scope 2: Indirect GHG Emissions from Purchased Electricity*					
Electricity; Renewables	9131	MWH	0	0	0%
Electricity; Grid	0	MWH	225.6	0	0%
Total Scope 2	0	MWH	225.6	0	0%
Scope 3: Other Indirect Emissions					
Category 1: Purchased Goods/Paper			21.2	17.2	1%
Category 5: Waste			343.6	72	3%
Category 6: Business Travel			129.5	63.9	3%
Total Scope 3			494.3	153.1	7%
Total 2022 GHG Emissions: 3,589.1 TCO2E					
Total 2023 GHG Emissions: 2,142.9 TCO2E					

*Emissions calculated using the Greenhouse Gas (GHG) Protocol and EPA U.S. EEIO emissions factors. Scope 2 emissions calculated using market-based methodology. Scope 3 emissions calculated using spend methodology.

Awards & recognition



Sustainable Business Network

Massachusetts Sustainable Business of the Year — Bank

Best of the Berkshires

Best Mortgage

Human Rights Campaign Corporate Equality Index

2024, 2023, 2022, 2021

Bloomberg Gender-Equality Index

2023, 2022, 2021, 2020

Forbes

America's Best Midsize Employers



Newsweek

America's Most Trustworthy Companies

America's Best Regional Banks

Communitas Awards

International Leadership Award for Corporate Social Responsibility and Community Service — 2023 - 2017

Boston Business Journal

Top Charitable Contributor — 11th straight year



Appendix SUSTAINABILITY SCORECARD

TOPIC	MEASURE	PRIOR RESULT	CURRENT RESULT
Financial Access and Affordability			
Homeownership	Dollar Value of Mortgages Originated	\$1.1B	\$691MM
Small Business Lending	Dollar Value of Loans Outstanding to Support Small Businesses	\$289MM	\$239MM
	Number of Loans Outstanding to Support Small Businesses	4,286	3,793
	Number of Small Business Loans Past Due	207	166
	Dollar Value of Small Business Loans Past Due	\$6.6MM	\$6.8MM
	Dollar Value of all Qualified Community Development Loans Originated	\$67MM	\$123MM
Community Development Lending and Investments	Number of Community Development Loans Outstanding	76	85
	Dollar Value of all Qualified Community Development Loans Outstanding	\$318MM	\$501MM
	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	\$71MM	\$83MM
Financial Wellness and Economic Inclusion	Number of Individuals Impacted by Financial Wellness Programming	157,862	149,637
	Number of Low-/No-Cost Retail Checking Accounts	180,231	180,191
Responsible Banking			
Business Ethics and Consumer Financial Protection	Percent of Employees Completing Ethics or Code of Conduct Training	99%	99%
	Code of Business Conduct	Available Online	
	Whistleblower Reporting Line Policy	Available Online	
	Privacy Notice	Available Online	
	Online Privacy Notice	Available Online	
	Number and Amount of Anti-Competition Fines	0	0
	Number & Amount of Fines for Bribery and Corruption	0	0
	Number & Amount of Fines for Marketing and Labeling	0	0
Customer Satisfaction	Number of Customer Problems Referred to Our Complaint Center	1,636	2,360
	Percent of Customer Problems Addressed at Year-End	100%	99%
Data Privacy, Cybersecurity and Fraud	Number of Cyber Breaches	Not disclosed	Not disclosed
	Percent of Employees Completing Information Security and Fraud Training	100%	99%
	Number of Information Security Presentations to Board/Board Committee (Annually)	3	2
Environmental & Social 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%	99%
	Responsible and Sustainable Business Policy	Available Online	
	Environmental & Social Risk Management Overview	Pg. 14	
Responsible Asset Management	Dollar amount of Socially Responsible Assets (SRI) Under Management	\$41MM	\$46MM
	Percentage of SRI Assets Under Management	<1%	<1%

TOPIC	MEASURE	PRIOR RESULT	CURRENT RESULT
Leadership and Governance			
Board of Directors	Corporate Governance Policy	Available Online	
	Number of Board Directors	12	13
	Number of Independent Directors	11	12
	Percent the Board comprised of women	33%	38%
	Percent the Board comprised of ethnic minorities	33%	31%
	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	9,127	10,675
Human Capital Management			
Recruitment, Retention, Training, Development and Engagement	Total Number of FTEs	1,310	1,340
	Total Employee Count	1,337	1,364
	Number of Full-Time Employees	1,282	1,316
	Number of Part-Time Employees	55	48
	Number of Temporary Employees	2	16
	Retention Rate	71%	79%
	Turnover Rate	27%	21%
	Voluntary Turnover	25%	18%
	Involuntary Turnover	2%	3%
	Promotion Rate	20%	11%
	Average Tenure (Years)	7.2	7.4
	Average Age (Years)	43.6	44.2
	Minimum Wage (P/Hr)	\$17	\$17
	Percent of Employees Covered by Collective Bargaining Agreements	0	0

Appendix SUSTAINABILITY SCORECARD

TOPIC	MEASURE	PRIOR RESULT	CURRENT RESULT
Human Capital Management			
Diversity, Equity and Inclusion	Percent workforce comprised of women	67%	66%
	Percent of manager roles (officer+) comprised of women	54%	55%
	Percent of executive management roles comprised of women	42%	29%
	Percent workforce comprised of ethnic minorities	16%	16%
	Percent of manager roles (officer+) comprised of ethnic minorities	11%	12%
	Percent of executive management roles comprised of ethnic minorities	17%	14%
	Percent workforce comprised of those with a disability	3%	5%
	Percent workforce comprised of veterans		1%
	Chief Diversity Officer or equivalent	Yes	Yes
	Board Chairperson is a woman	No	No
	Gender Balance in Board Leadership	40% (2 of 5 committees)	40% (2 of 5 committees)
	Chief Financial Officer is a woman	No	No
	Percentage of women in non-managerial positions	76%	53%
	Percentage of women total promotions	68%	67%
	Percentage of women in IT/Engineering	42%	42%
	Percentage of women attrition	81%	63%
	Percentage of new hires are women	67%	59%
	Time-bound action plan with targets to increase the representation of women in leadership positions	Development programs detailed in 2023 Sustainability Report pages 19 –20	Development programs detailed in 2023 Sustainability Report pages 19 –20
	Time-bound action plan with targets to increase the representation of women in the company	N/A, More than 50% workforce is comprised of women	N/A, More than 50% workforce is comprised of women
	Adjusted mean gender pay gap	Not disclosed	Not disclosed
	Global mean (average) raw gender pay gap	Not disclosed	Not disclosed
	Gender Pay Equity & Time-bound action plan to close any gender pay gap	Annual Review	Annual Review
	Executive compensation linked to gender diversity or diversity, equity and inclusion (DEI)	Berkshire's short-term incentive ("STI") program includes a specific ESG component in the calculation of the total STI plan funding. This measurement is based on a qualitative assessment of Berkshire's ESG rankings, its social/community impacts, and other results of its ESG initiatives, which include DEI related items.	Berkshire's short-term incentive ("STI") program includes a specific ESG component in the calculation of the total STI plan funding. This measurement is based on a qualitative assessment of Berkshire's ESG rankings, its social/community impacts, and other results of its ESG initiatives, which include DEI related items.
	Number of weeks of fully paid primary parental leave offered	6 Weeks Maternity, Parental Leave by State	6 Weeks Maternity, Parental Leave by State

TOPIC	MEASURE	PRIOR RESULT	CURRENT RESULT
Diversity, Equity and Inclusion	Number of weeks of fully paid secondary parental leave offered	N/A	N/A
	Parental leave retention rate	80%	92%
	Back-up family care services or subsidies through the company	Yes. Berkshire provides a day care reimbursement program and a dependent care expense account.	Yes. Berkshire provides a day care reimbursement program and a dependent care expense account.
	Flexible working policy	Yes. Berkshire provides flexible work arrangements, including the ability to work fully remote dependent on the duties of one's job.	Yes. Berkshire provides flexible work arrangements, including the ability to work fully remote dependent on the duties of one's job.
	Employee resource groups for women	Yes. Power of Women Employee Resource Group	Yes. Power of Women Employee Resource Group
	Unconscious bias training	Yes	Yes
	Anti-sexual harassment training	Yes	Yes
	Percent of Employees Completing Diversity, Equity, Inclusion and Bias Training	99%	99%
	Percent of Employees Eligible for Benefits	97%	~100%
	Number of Workplace Accidents	20	16
Health and Wellness	Number of Workplace Fatalities	0	0
Community			
Community Investments	Number of Nonprofit Organizations Supported	518	538
	Dollars Granted by Foundation to Nonprofit Organizations	\$2.8MM	\$2.5MM
	Percent of Contributions Benefiting Underresourced Populations	71%	78%
	Total Dollar Value of All Community Contributions	\$3.5MM	\$3.4MM
	Percent of Employee Participation in Xteam® Volunteer Program	94%	89%
	Number of Hours of Volunteer Service	23,063	21,542
	Number of Company Volunteer Events	168	269



TOPIC	MEASURE	PRIOR RESULT	CURRENT RESULT
Environmental Sustainability			
Energy and Natural Resource Management	Number of Environmental Fines	0	0
	Amount of Paper Recycled	191 tons	155 tons
	Percent of Company Electronics Recycled	100%	100%
	Percent of Sustainably Harvested and Environmentally Conscious Paper	5%	93%
	Percent of Paper Reduction (from 2014 Baseline)	78%	77%
	Total Electricity Usage (Mwh)	8,987	9,131
	Total Renewable Electricity Usage (Mwh)	8,044	9,131
	Total Nonrenewable Electricity Usage (Mwh)	943	0
	Percent of Nonrenewable Electricity Usage	10%	0%
	Percent of Renewable Electricity Usage	90%	100%
Climate Change	Lending to Low-Carbon Projects	\$290MM	\$227MM
	Scope 1 GHG Emissions (TCO2E)	2,869.2	1,989.8
	Scope 2 GHG Emissions (TCO2E)	225.6	0
	Scope 3 GHG Emissions (TCO2E)	494.3	153.1
GHG Intensity (TCO2E/ USD Revenue)	Scope 1 & Scope 2	0.00000748	0.0000052

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. 24 of this report
Describe management's role in assessing and managing climate-related risks and opportunities	"Climate Governance" pg. 24 of this report
Risk Management	
Describe the organization's processes for identifying and assessing climate-related risks	"Environmental & Social Risk Management" pg. 14-16 and "Risk Management" pg. 24 of this report
Describe the organization's processes for managing climate-related risks	"Environmental & Social Risk Management" pg. 14-16 and "Risk Management" pg. 24 of this report
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	"Environmental & Social Risk Management" pg. 14-16 and "Risk Management" pg. 24 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. 25-26 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. 25-26 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. 25-26 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. 26-27 of this report
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks	"Metrics and Targets" pg. 26-27 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. 26-27 of this report



How to connect

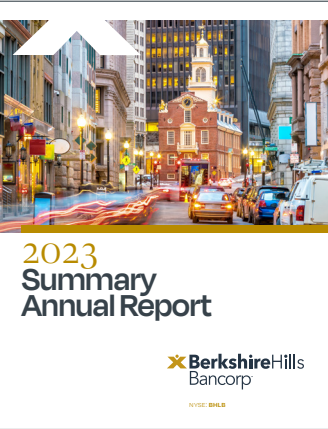
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berkshirebank.com/annual2023



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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.

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