



Our Commitment to Corporate Responsibility

 Sandy Spring Bank
From here. For here.

2020 CORPORATE
RESPONSIBILITY REPORT



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A Message from President and CEO Daniel J. Schrider



I am pleased to share with you Sandy Spring Bank's first annual Corporate Responsibility Report for 2020.

This report addresses the areas we believe are most critical to our stakeholders to drive value over the long-term, including:

- Ensuring strong governance and a culture of ethics and integrity in all that we do
- Attracting, retaining and developing a diverse, highly skilled workforce where employees feel included, respected and valued
- Supporting the needs of all clients and the communities in which we operate
- Caring for our planet by minimizing our impact on the environment

We have outlined our approach and performance in these core areas and are committed to evolve our reporting to strengthen stakeholder trust in the years ahead.

In many ways, it is fitting for our inaugural report to feature our efforts in 2020. Our motto is real banking for real life, and 2020 was about as real as it gets. The COVID-19 pandemic brought unprecedented change and challenges for everyone, but it also brought into clear focus what matters to us: people. Our first priority was to ensure the health, safety and wellbeing of our employees and their families. In turn, it was inspiring to see all of our employees rally around our clients and our communities to support them through such uncertain times.

I have spent more than 30 years at Sandy Spring Bank, yet the passion our employees have for the people and communities we serve in the greater Washington, D.C., region continues to amaze me. Our passion to serve our neighbors and friends is genuine. Together, we are committed to strengthening our communities through our products and services, our community investment, and our environmental efforts. All of this, I am confident, will lead to a brighter tomorrow.

Our founders had a vision for a local bank that would serve the interests of everyone in the community. This remains our guidepost today, and it is why our leaders have always prioritized the stewardship of the organization and a culture that values people, the highest standards of ethics and integrity, and giving back.

It has been our honor at Sandy Spring Bank to serve this region for more than 150 years – and we will continue to work hard to earn that right.

To my more than 1,200 colleagues at Sandy Spring Bank, thank you for all that you do for our clients and each other; it is a privilege to serve alongside you. To our Board of Directors, thank you for your continued guidance and leadership. And to our clients, shareholders and community partners, thank you for putting your trust in us.

Daniel J. Schrider
President and CEO



Reducing Our Environmental Impact

At Sandy Spring Bank, we recognize that we all have a role to play in environmental sustainability and combating climate change. We are focused on sustainable business practices that minimize our impact on the environment while also reducing the risks that climate change poses to our business.

Our sustainability efforts are focused on reducing paper use through digitalization, waste reduction and energy and resource efficiency in our facilities. We also contribute to environmental sustainability by financing clean energy and energy efficiency projects.

For more information on the risks posed by climate change to our business, see our [Annual Report](#).

Embracing Digital Tools

We have upgraded our technology to reduce paper usage and our reliance on paper-intensive processes. These initiatives reduce our carbon footprint while making it easier for clients to do business with us.

2020 Highlights

In 2019, we implemented a new online mortgage application. Within one year, more than 60 percent of mortgage applications were created online. In 2020, we added an e-closing tool that allows mortgage borrowers to sign the majority of their closing packages electronically. This significantly reduces the size of the physical closing package and the time borrowers need to spend at closing. We are now exploring moving to full electronic closings.

By using digital applications, documents and communications to process and deliver nearly 5,500 loans under the U.S. Paycheck Protection Program, we eliminated the paper by-product of one year's worth of lending activity. We are also managing the loan forgiveness application process exclusively through our digital platform.

We rolled out a new online account opening tool that enables clients to apply for, open and fund deposit accounts entirely online without printing and mailing paper forms.

Encouraging Clients to Go Paperless

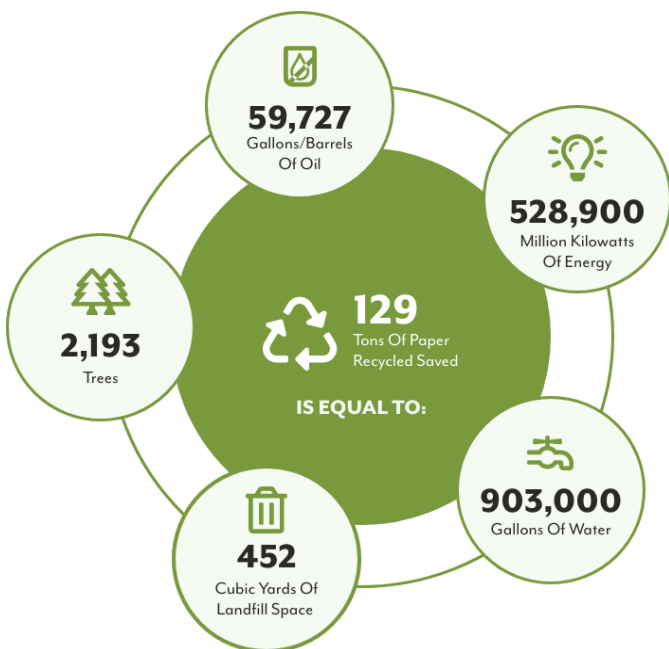
We encourage clients to use online and mobile banking and to opt-in for electronic statements, not only for greater convenience but also to help them reduce their own environmental footprints. Prior to COVID-19, our branch associates used tablets to demonstrate the ease and benefits of online/mobile banking to clients. We periodically offer a \$5 promotional check to be deposited via mobile for clients who sign up for online banking. We look forward to resuming this activity once the pandemic has passed and social distancing is no longer necessary.



Data as of December 31, 2020

Reducing Waste

Our shredding and recycling efforts keep our clients' personal information safe while reducing waste. In 2020, we recycled an estimated 129 tons of paper, even as many of us worked from home during the COVID-19 pandemic and used less paper. In addition to recycling paper, we provide recycling bins to collect glass, plastic and other recyclables throughout our branches and offices.



We work with our suppliers to procure products from renewable sources, including recycled paper products, whenever possible.

In addition, by increasing our use of document imaging we are significantly reducing the amount of paper and ink we purchase. During 2020, we purchased approximately 36 percent less paper than in 2019, aided also by our remote work environment.

Reducing Energy and Resource Usage

We contribute to a sustainable environment through business practices that protect and conserve natural resources. Highlights of our efforts include:



LED Upgrades

We have installed energy-saving LED bulbs and fixtures throughout our facilities.



Renewable Energy

Under our electricity supplier agreement for our Maryland and Washington, D.C., locations, we purchase renewable energy credits equal to 10 percent of our total annual usage. Each credit represents the environmental benefits of 1,000 kilowatt-hours of renewable energy that can be paired with electricity.



Energy Efficient Systems

New and renovated locations include energy-saving, time-controlled HVAC systems and light fixtures with sensors that detect motion. We also evaluate HVAC systems in our new and renovated locations for energy-saving upgrades.



Water Consumption Programs

New and renovated locations include water dispensing machines (which reduce use of plastic water bottles), faucets with motion sensors, and water-saving toilets.



Other Waste Reducing Features

New and renovated locations are evaluated for waste-reducing opportunities, such as the installation of wall-mounted hand dryers instead of paper towel dispensers.

Supporting Clean Energy and Energy Efficiency

We partner with Montgomery County Green Bank in Maryland to finance loans through their Commercial Loan for Energy Efficiency and Renewables (CLEER) financing program. Through the CLEER financing program, commercial, multi-family and industrial building owners, as well as commercial and industrial tenants, nonprofits and common ownership communities receive financing to complete clean energy or energy efficiency projects. In 2020, we also became a participating lender in DC Green Bank's CLEER program.

Through 2020, we have financed \$1.6 million in commercial and affordable housing projects through the CLEER program to help properties reduce their environmental footprint, gain operating cost benefits, create comfort and value for their residents, and help reduce greenhouse gas (GHG) emissions. **Collective energy savings for these properties is nearly \$80,000 annually and represents a reduction of GHG emissions by 560 tons each year, equivalent to the total electricity used by 95 homes in the county in one year.**

Keeping a Community Together, While Reducing Its Environmental Footprint

The Glen Manor Condominiums in Silver Spring, Md., is a 32-unit affordable condominium with diverse residents consisting of families, couples and single individuals. Built in the early 1960s, it has become a vibrant community for residents.

When aging mechanical systems required significant repairs and upgrades, the community explored options, including selling the property. However, through the CLEER program and partnership between Montgomery County Green Bank and Sandy Spring Bank, Glen Manor was able to obtain \$512,000 in financing for operational and energy efficiency upgrades. Not only does this help the community remain intact, but it also will help reduce the property's energy consumption by 280 tons of carbon dioxide annually over the next 10 years.

“The road to getting to this point took intention and dedication on the part of our community to achieve important energy efficiency and operational efficiencies,” said Brian Haaser of Glen Manor Condominiums. **“These improvements will help us be a sustainable community for the long haul. The support of Montgomery County Green Bank and Sandy Spring Bank was key to getting to the finish line and implementing our vision. They worked collaboratively as a team to provide the critical financing we needed.”**



Response To Covid-19

Serving our Clients

Throughout the challenge of the COVID-19 pandemic, we have remained fully operational and committed to safely serving our clients. When local governments imposed stay-at-home orders we promptly implemented our business continuity plans. We also took steps to help alleviate the financial impact of the pandemic for Sandy Spring clients.

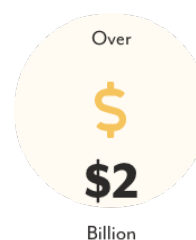
- Increased services available through drive-thru facilities
- Launched webpage to provide clients with up-to-date information about bank services, resources and federal relief
- Closed branch lobbies to walk-in traffic and served clients by appointment to reduce the number of people in the branch at any one time
- Established a moratorium on foreclosures and repossessions
- Waived fees for all ATM transactions through January 31, 2021
- Waived fees for remote check deposits for business clients
- Waived certain penalties for early CD withdrawals less than \$10,000

Many of our small business clients operate hotels, restaurants, retail properties and other businesses that have been affected by the pandemic, or work for such businesses. To help clients weather this crisis, we provided temporary payment accommodations that allowed clients to defer their loan payments without penalty.

We are laser focused on doing all that we can do to ensure everyone's safety and to seamlessly continue to serve you. Sandy Spring Bank has more than 150 years of experience and we have weathered challenging times before. We are committed to using our experience to best serve you and to continue to earn and keep your trust.

—Message to Sandy Spring Bank clients, March 13, 2020

Loan Accommodations



Paycheck Protection Program

The Paycheck Protection Program, better known as PPP, is a stimulus program created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help small- and medium-sized businesses affected by the COVID-19 pandemic maintain payroll, hire back employees who have been laid off and cover applicable overhead.

The program allowed Sandy Spring Bank and other lenders to provide cash-flow assistance through 100 percent federally guaranteed loans to employers that would be forgiven if the funds were used for payroll and other covered expenses. Recognizing

an opportunity to support our clients, we quickly developed a new technology solution to facilitate the application process and deployed over 200 employees to this effort.



Data as of December 31, 2020

Financial Inclusion

Products and Services

Making financial products and services accessible and affordable is an important part of what we do. Our products are designed to meet the needs of clients in every stage of life and income level, whether opening a checking account for the first time or opening a small business.

Our **My Free Banking** no-cost checking account has no minimum balance requirement or monthly fee. Clients have free, secure access to their accounts online and via our mobile banking app with mobile deposit. A free debit card is included.

Designed for students living away from home, our **Student Banking** free checking account has no minimum balance or monthly service fee and includes free, secure access through online and mobile banking. A free debit card is included. This account also permits one overdraft fee refunded per calendar year and two free ATM transactions at non-Sandy Spring Bank ATMs per statement cycle.

For those in our community who are at least 55 years of age we offer **Senior Interest Checking**. There's no minimum balance or direct deposit requirement, and no monthly fee. The account is interest bearing and comes with free check orders, online and mobile banking and a free debit card.

Over 26,000 small and medium-sized businesses use our **Flex Business Checking**. With several activity tiers, businesses can avoid monthly fees by maintaining a modest minimum average balance. All accounts come with our ebiz online banking and business clients can offer their employees free checking accounts through our **Workplace Banking** program.

Community Development Lending and Investments

We financially support our low- to moderate-income communities by partnering with organizations that develop affordable housing, provide community services and revitalize and stabilize inner-city areas. These loans and investments help meet critical needs for people and neighborhoods across our footprint.

In 2020, our community development loans and investments:

- Helped provide 68 affordable housing units
- Supported organizations that serve the elderly, the homeless, individuals with intellectual and developmental disabilities and disabled veterans, among others
- Enabled a volunteer fire department purchase new rescue vehicles

22%

Offices in low- to moderate-income areas

\$36,956

Low- or no-cost consumer checking accounts

\$53.7M

Community development loans originated



Data as of December 31, 2020

Homeownership

We strive to be an advocate for our clients and their life goals, and there is nothing more satisfying than the purchase or construction of a new home. With the interest rate environment so favorable in 2020, we were also instrumental in helping clients refinance their current mortgages to reduce their monthly payment, shorten their repayment schedule, or access their equity.

We are committed to promoting affordable housing in the communities we serve. Through our in-house portfolio products and partnerships with local community development agencies we have developed a suite of programs aimed at assisting those in need achieve their dream of homeownership.

Our **Welcome Home Loan Program** provides affordable financing for home purchases for lower- and moderate-income purchasers. The benefits include a low down payment with flexible funds eligibility and no mortgage insurance. This program is available to individuals whose income is below a certain level or for homes that are located within low- or moderate-income census tracts. The Welcome Home Loan Program also allows eligible borrowers to refinance up to 100 percent of the home’s value with no mortgage insurance.

We also offer Freddie Mac’s **Home Possible Advantage**, which provides 97 percent financing for low- and moderate-income borrowers on either home purchase or refinances. This program has flexible underwriting features, including more eligible sources of funds for down payment and closing costs.

In conjunction with these programs, we offer a down payment assistance program called **Closing the Gap Plus** that provides up to 3 percent of the purchase price for borrowers that meet income and/or property eligibility requirements.

Through the Federal Home Loan Bank, we offer a multitude of down payment assistance programs for low- and moderate-income buyers, including a **First Time Homebuyer Program and Community Partner Programs** for educators, health care workers, law enforcement, fire fighters and other first responders, as well as one geared for veterans, their spouses or surviving spouses purchasing a home.

We also offer various state government programs, including the Maryland Mortgage Program, Virginia Housing Development Authority, DC Open Doors and other local programs.

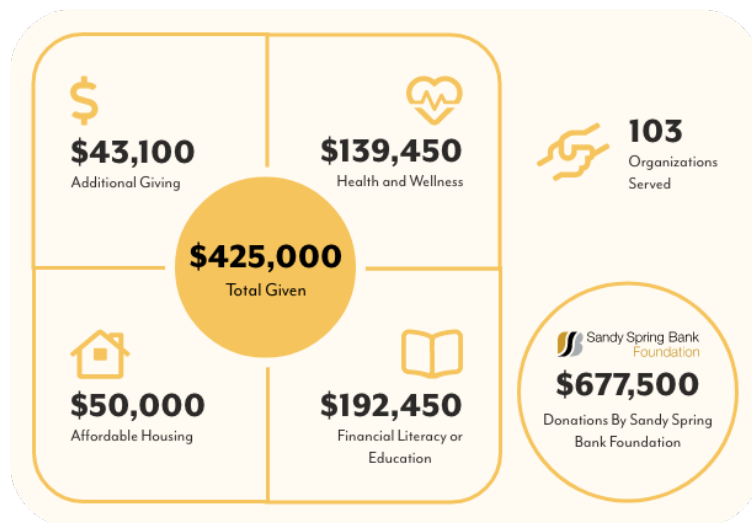
Sandy Spring Bank is approved to originate loans guaranteed by the Department of Veterans Affairs (VA) and offers VA financing to all eligible veterans. We are also an approved Federal Housing Administration (FHA) lender, which allows us to offer low down payment financing to all borrowers.

2020 HIGHLIGHTS

Single-family mortgage loans to low- and moderate-income clients	\$310 million
Affordable housing loans originated	\$177 million
Loans originated for first-time home buyers	\$352 million

Supporting Our Communities

Annually, we donate thousands of meals, support hundreds of organizations and educate consumers on various financial literacy topics. We work closely with our employees to identify needs and collaborate with nonprofit organizations to lend our resources, whether in the form of volunteerism, material donations (such as food, clothing or toys) or financial support. We focus on nonprofit organizations that promote affordable housing, financial literacy/education or health/wellness and assist organizations of all sizes, from some of the largest in the area to local grassroots organizations.



We also provide support through the [Sandy Spring Bank Foundation](#), which was established on April 13, 2018, the 150th anniversary of our founding, to enhance our commitment to the communities we serve. Like the Bank, the Foundation supports selected, local nonprofit organizations in four areas: affordable housing, health and wellness, education and personal growth.

Personal Growth

The Best Buddies Friendship Walk is the leading walk in the country supporting inclusion for people with intellectual and developmental disabilities. Held virtually in 2020, more than 200 Sandy Spring Bank employees participated, some walking in small, socially distanced groups and others walking with their families in their own neighborhoods. Altogether, our employees helped raise over \$23,000 for Best Buddies.

Financial Literacy and Education

For over 10 years we have partnered with EverFi, an education technology company that provides learners of all ages education for the real world through innovative and scalable digital learning. In 2019 we shifted our in-person, high school focused financial literacy program with EverFi to an online adult consumer financial education program. This resource, which we named [The \\$tation](#), is available on our website and offers an assortment of interactive financial education learning topics, with subjects including building emergency savings, mortgage education and retirement planning. The site had over 10,000 visitors in 2020.

Sandy Spring Bank has supported Howard Community College's educational programs and scholarships for 30 years. In 2020, Sandy Spring Bank Foundation got involved in the partnership and donated \$25,000 to Howard Community College Educational Foundation. Our contributions supported several programs in the 2019 – 2020 academic year, including the Multicultural Banking and Finance Training Program, Skilled Immigrant Program, and Silas Craft Collegians.

The college's Banking and Finance Training for Bilingual Speakers program is designed to provide skills training to adult English language learners who have an interest in banking and finance. The Skilled Immigrant program provides courses on workforce and career development for mid and advanced level English speaking, bilingual, and multi-lingual credit and noncredit students. Through the Silas Craft Collegians program, a select group of students – most from low- to moderate-income families – receive personalized attention, mentoring, and peer reinforcement. Participants also receive scholarships that help bridge the gap in the financial aid they receive. Our partnership sponsored five students in the program.

Health and Wellness

For over five years, our company has been a partner of the Capital Area Food Bank and the Maryland Food Bank. Each year we donate thousands of meals through our Season of Sharing, and employees volunteer their time at local distribution centers. Last year, the Sandy Spring Bank Foundation also donated \$25,000 to each food bank to support school pantry programs that serve families in Maryland and Washington, D.C. These programs play an important role in providing families with the healthy food they need in a dignified and accessible way.

In 2020, COVID-19 put an increased burden on hospitals and front-line health care workers. The Sandy Spring Bank Foundation responded with donations of \$50,000 each to 12 area hospitals (total of \$600,000).

On December 10, 2020, a team of Sandy Spring Bank employees presented a \$10,000 donation to the Capital Area Food Bank, which experienced increased demand in 2020 due to the pandemic. After the presentation, the team helped to fill 1,080 boxes of food for area residents.

Affordable Housing

Sandy Spring Bank has collaborated with Habitat for Humanity through fundraising and volunteer events for more than 15 years, including its annual Women Build program. We also have a long-standing relationship with our local chapters of Rebuilding Together, which provides free critical home repairs, energy efficiency upgrades, and accessibility modifications to vulnerable residents of our communities.

Casual for a Cause

Casual for Cause is an employee-driven giving program that supports local nonprofits. One day each month, employees have the opportunity to contribute to a different organization in exchange for wearing jeans or other casual clothes to work. Each year, employees nominate and select the organizations that receive our support. Since 2016, Sandy Spring employees have raised nearly \$70,000 for more than 45 organizations across our footprint as part of the program. Because many employees worked remotely in 2020 due to COVID-19, the company contributed \$5,000 to each organization selected in lieu of employee contributions.

2020 beneficiaries of our Casual for a Cause program:

- Best Buddies, Maryland
- Comfort Cases
- Friends of Guest House
- Girls in the Game
- Grassroots Crisis Intervention Center
- Junior Achievement of Central Maryland
- Luke's Wings
- N Street Village
- National Foundation for Cancer Research
- National Pancreas Foundation (National Capital Region Chapter)
- The IIB's Foundation
- Woman to Woman Mentoring



Volunteerism

Our employees play a central role in advancing our commitment to our communities by volunteering with nonprofit organizations. Employees are encouraged to sign up for volunteer activities and events throughout the year, especially during our year-end Season of Sharing – an annual tradition of employees getting involved to serve organizations across our footprint. Throughout the fourth quarter of each year, we hold a number of community service activities and fundraising activities – from assembling meal kits and collecting toys to holding online silent auctions and cookie bake-offs – that bring employees together to support those in need. During COVID-19, we continued our tradition by ensuring social distancing and proper PPE was worn.

In 2020, Sandy Spring Bank was ranked by the Washington Business Journal as the #1 mid-sized company in the Washington, D.C., metro area for employee volunteerism.

Employees are encouraged to record their volunteer hours on the company's intranet. Once submitted, the employee is entered into a monthly prize drawing.

2020 beneficiaries of our Season for Sharing:

Capital Area Food Bank

D.C. Metropolitan Foster & Adoptive Parent Association

Horton's Kids

Howard County Food Bank

Montgomery County Coalition for the Homeless

Shelter House

Toys for Tots



Employees of West Financial Services, Inc. pictured with toys purchased for Toys for Tots in 2019.

Outside of work, many of our employees are involved in other nonprofits such as schools, places of worship and community groups. To encourage our employees to pursue their passion in the community and to show our appreciation, we created Dollars for Doers. When an employee volunteers at least 50 hours annually to a particular organization, we make a donation to that nonprofit in recognition of our employee's service.





Ensuring Strong Corporate Governance

At Sandy Spring Bank, we are committed to strong corporate governance. We believe that our governance practices reflect our values and are essential to providing long-term value to our shareholders, clients, employees and communities.

Board Oversight and Diversity

Our board of directors works in partnership with our management team to serve all stakeholders, including our clients, employees, communities and vendors, as well as our shareholders. The board provides oversight by monitoring our strategy and performance, selecting our independent auditors, overseeing our internal audit function, and setting senior management compensation.

The board seeks directors with a variety of views and experience. As of December 31, 2020, the board consisted of 13 independent directors plus our President and CEO, Daniel Schrider. Our independent directors work and live in communities across our market area and have a broad range of experience and skills. Three of our independent directors are women and three identify as ethnic minorities. You can find more information about our directors' experience and qualifications on our [Investor Relations](#) website and in our [Proxy Statement](#).

Longer-serving directors provide continuity and institutional knowledge of our company and its culture. At the same time, regular board refreshment can help ensure the proper mix of directors to meet both current and long-term needs and provide the necessary oversight of our evolving corporate strategy and risks. To promote board refreshment, we have a mandatory retirement age of 72. We

have also used recent acquisitions as an opportunity to expand our board. As a result, seven of our 14 directors have joined the board in the past five years.

Our board of directors provides oversight of our organization through five committees: Audit, Risk, Compensation, Nominating, and Executive and Governance. Committee charters may be found [here](#). All of our board committees are chaired by independent directors. Two of our committees are chaired by women or ethnic minorities.

BOARD OVERSIGHT AND DIVERSITY

Board size	14
Independent chairman	Yes
Independent directors	13
Board diversity	36%
# of women directors	3
# of ethnic minority directors	3
Average age of directors	63 years
Average tenure of directors	9 years

Governance Policy

Our board of directors has adopted a [Corporate Governance Policy](#) to reflect the board's commitment to sound and effective governance. Our Corporate Governance Policy, which addresses director selection and performance as well as board structure and operation, is intended to assist the board in the exercise of its governance responsibilities and serve as a framework for the governance of our company.

Risk Management

We utilize a comprehensive enterprise risk management framework to identify, assess, measure, monitor, report and control risks across our organization, including social and environmental risks. The board's Risk Committee is responsible for oversight of our risk management process. Our Executive Risk Committee, which consists of our executive leadership team and reports directly to our board's Risk Committee, develops our risk appetite, monitors key risk indicators, and assesses and monitors current and emerging risks. Our enterprise risk management framework is overseen by our Chief Risk Officer, who reports to our CEO. You can find a description of the principal risks overseen by Board committees in our [Proxy Statement](#).

In addition, management has established internal committees that provide strategic direction and oversight for various elements of our business that contribute to our risk management activities, including:

- Asset/Liability Management Committee
- Disclosure Controls Committee
- Investment Committee
- Compliance Committee
- Funding and Liquidity Committee
- Capital Management Committee
- Fraud Risk Committee
- Vendor Management Committee
- Technology Risk Committee
- Business Continuity Committee

Executive Compensation

We are committed to rewarding executive management for performance achieved through planning and execution. The board's Compensation Committee has developed a philosophy that executive compensation should be aligned with our strategic objectives, balanced among fixed and variable elements and short- and long-term results, and sufficient to attract, motivate and retain the talent and leadership needed for our continued success. Our Compensation Committee reviews and approves our executive compensation programs annually.

Yes	Leading Practices	No	Avoided Practices
<input checked="" type="checkbox"/>	Independent compensation consultant retained by and reports to the Compensation Committee.	<input checked="" type="checkbox"/>	No tax gross-ups
<input checked="" type="checkbox"/>	Significant portion of compensation is performance-based.	<input checked="" type="checkbox"/>	No hedging or pledging of stock
<input checked="" type="checkbox"/>	Minimum performance must be attained before any awards can be paid.	<input checked="" type="checkbox"/>	No excessive perquisites
<input checked="" type="checkbox"/>	Short-term incentives have minimum triggers and maximum caps.	<input checked="" type="checkbox"/>	No "single trigger" severance upon a change-in-control
<input checked="" type="checkbox"/>	Incentive compensation is subject to claw back.	<input checked="" type="checkbox"/>	No encouraging excessive risk-taking
<input checked="" type="checkbox"/>	Executive officers are subject to stock ownership requirements.		
<input checked="" type="checkbox"/>	Annual risk assessment of executive compensation programs.		

You can find more information about our compensation governance practices in our [Proxy Statement](#).

Governance Highlights

We are committed to governance practices that support our long-term strategy, demonstrate high levels of integrity, and earn the confidence of investors and other stakeholders.

Mandatory director retirement age	72 years
Director term	3 years
Regular board meetings in 2020	9
Special board meetings in 2020	3
Average attendance at board and committee meetings	99%
Plurality plus resignation in uncontested director elections	Yes
Independent directors meet regularly in executive session	Yes
Independent Audit Committee meets with auditor in executive session	Yes

Board Risk Committee	Yes
Annual board evaluations	Yes
Continuing education program	Yes
Stock ownership guidelines for directors and executives	Yes
Anti-hedging policy	Yes
Clawback policy	Yes
Code of Ethics and Business Conduct available on website	Yes
Corporate governance policies available on website	Yes

Maintaining the Highest Business Standards

Doing business honestly and ethically is at the very core of our culture.

Our [Code of Ethics and Business Conduct](#) provides guidance in how we expect our employees to conduct business on a daily basis and live up to our core principles. The policies in our Code of Ethics apply to all of our directors, officers and employees. Anyone who violates the Code may face disciplinary action, up to and including termination.

Our Code Addresses

Confidential Information

Earning and maintaining the trust of our clients are essential to the success of our business.

Diversity and Inclusion

We are committed to a diverse and inclusive workplace where all backgrounds, experiences, interests and skills are respected, appreciated and encouraged. We strive to be the company where our employees, clients and communities see, feel and believe our commitment to diversity and inclusion.

Conflicts of Interest

Each of us must carry out our professional responsibilities with integrity and with a sense of loyalty to the company. We are expected to make sound business decisions in the best interests of the company, without regard to our personal interests.

Anti-Harassment

We are committed to the fair treatment of all employees and applicants for employment. We expect that all work relationships will be free of bias, discrimination, harassment and retaliation.

Gifts and Entertainment

We restrict gifts from third parties so that they do not impair our ability to make objective business decisions or create the appearance that our objectivity has been compromised.

Compliance with Laws and Regulations

We operate in a highly regulated environment and are subject to examination by federal and state banking regulators. We seek to comply with—and never intentionally violate—the laws and regulations applicable to our businesses.

All employees receive training on our Code of Ethics upon joining the company, after which all employees receive bi-annual training and must certify their understanding of and compliance with our Code. In 2020, 100 percent of employees completed the required training and certified their understanding of and compliance with the Code.

In addition to our Code of Ethics, we also maintain an [Insider Trading Policy](#) to prevent illegal insider trading and tipping by our directors, officers and employees. We provide training to all employees on their obligations not to trade in our securities while in possession of material, non-public information about the company.

We encourage employees to inform management or our Audit Committee of any accounting irregularities or any potential violations of our Code of Ethics or other policies or laws. Our [whistleblower policy](#) governs the receipt, retention and treatment of concerns raised and protects the confidential, anonymous reporting of employee concerns regarding questionable accounting or auditing matters or other ethical violations.

Employees can also submit concerns or complaints regarding suspected violations on a confidential and anonymous basis through a toll-free response line or web portal, both monitored by an independent third-party provider. All submissions through the response line or web portal are reported to our Audit Committee and investigated by our General Counsel, human resources department or internal audit department, as appropriate.

In 2020, we received two confidential submissions, neither of which resulted in substantiated ethical violations or accounting irregularities.

We maintain a strict non-retaliation policy. Employees who engage in retaliation against a colleague who has raised a concern or questions in good faith and in accordance with the Code are subject to disciplinary action, up to and including termination.

During 2020 we did not incur any monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations.

Ensuring Strong Data Protection

Data privacy and protection are a strategic priority at Sandy Spring Bank, and we have established strong governance measures to protect the privacy and security of customer information and to ensure compliance with all privacy and cybersecurity laws and regulation. As a regulated financial institution, we are subject to numerous laws and regulations regarding data privacy and cybersecurity.

We have put in place extensive corporate policies and operating procedures that govern how we collect, use, retain and protect data. We employ a layered approach to cybersecurity that utilizes multiple levels of preventative and detective tools, rigorous systems testing, software patch management, dedicated information security staff led by our Chief Information Security Officer, and a security awareness program for all employees. Our Information Security team tracks key performance and risk indicators, which it reports quarterly to our board's Risk Committee.

We obtain independent audits of our information security program, engage third-party companies annually to conduct internal and external penetration testing, and conduct internal security risk assessments.

All employees are engaged in protecting and securing data. Employees receive annual training on cybersecurity risks, and we routinely conduct exercises to raise data security awareness. During 2020, with many employees working from home and many clients using email to communicate with us, we put an even greater emphasis on raising awareness of phishing scams.

Corporate Political Contributions

Our Code of Ethics and Business Conduct reflects our policy of non-partisanship. We do not support any employee-funded PACs, nor do we contribute any corporate funds to candidates for public office or political parties or use corporate funds to make independent political expenditures.

All employees are encouraged to participate in the political process, and we respect the rights of employees to support issues and candidates of their choosing.



Diversity and Inclusion

At Sandy Spring Bank, our employees serve as financial advocates for our clients, delivering the best possible financial solutions to meet their needs. Attracting, retaining and developing a diverse, highly skilled workforce and creating a workplace where everyone feels included, respected and valued is key to our ability to deliver a remarkable client experience. Our employees are at the heart of our success.

Diversity, Equity and Inclusion

At Sandy Spring Bank, fostering a positive and highly productive environment begins with treating all employees and clients with respect. We are committed to a diverse and inclusive workplace where all backgrounds, experiences, interests and skills are respected, appreciated and encouraged.

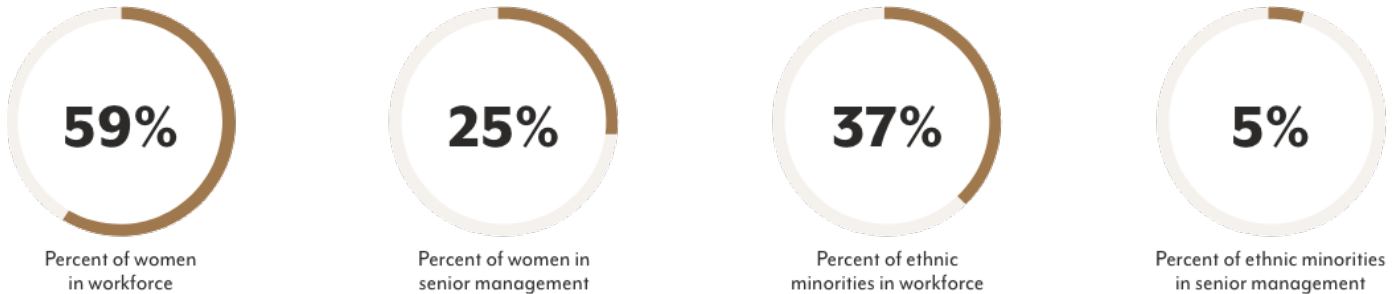
Celebrating the value of diversity begins with understanding and embracing the different markets we serve. We recognize the diversity that exists in our client relationships and our ties to local communities. We wish to enrich our workforce by attracting and retaining individuals for their skills, experience, culture and traits. Employees who bring a variety of perspectives and experiences help us to understand the diverse needs of our clients.

Our efforts to build and maintain a diverse workforce include using digital tools to increase the visibility of our job postings among underrepresented job seekers, including veterans, individuals with disabilities, older workers and minority populations. We are also expanding our recruiting efforts to area community colleges and universities with diverse student populations.

Honesty, integrity and respect for others are central to everything we do, and building a diverse and inclusive workforce is a component of our strategic plan.



Beginning in July 2020, the Winner of a CXPA Innovation Award, our Meeting in a Box initiative engages employee teams in a monthly, synchronized effort to discuss the same client or employee experience. Topics for “Meeting in a Box” shifted to discussions about diversity and inclusion. Each team was encouraged to discuss times when they felt like an outsider, the paradigms and assumptions we have, and how we can create a safe space for colleagues and clients.



2020 Actions

On June 19, 2020, for the first time, our company closed early to recognize Juneteenth, which commemorates the end of slavery in America. Earlier, following the death of George Floyd, President and CEO Daniel Schrider had reached out to all employees with an invitation to share their experiences and perspectives on racial inequality. Over 100 employees responded to him privately with their personal stories. Continuing the conversation, Dan held a virtual roundtable with a diverse group of employees from across the company, and met with others one-on-one, with a goal of expanding his own awareness and that of senior leaders throughout our company.

“Earlier this month, I invited all of our employees to share their experiences and perspectives directly with me about racial inequality in their own personal lives. The stories have been eye opening and heartbreaking. And while I will never be able to fully understand the life experiences of victims of racism, it is essential to acknowledge and empathize with their unjust reality. We will listen and learn more from our employees so that we can continue to take actions—as individuals and as a company—that are meaningful and responsive to what we learn from our people, because they are the heart of everything we do.”

—From CEO Daniel Schrider’s statement on commemorating Juneteenth

Talent Acquisition, Development, Retention and Engagement

Attracting and Retaining Highly Skilled Employees.

Through systematic talent management, career development and succession planning, we work to provide employees with opportunities to advance and grow their careers with our company.

Our promise to clients is to be a financial advocate and deliver the best possible solutions through a consistently remarkable experience. To deliver on this promise, we have committed to a set of core principles:

- We will be responsive in every way
- We will always take the extra step
- We will take the long view
- We will make it our own
- Whatever we do, we will always do what is right

Through commitment to our core principles, we have built a culture of respect and teamwork that has earned us recognition as a top workplace. We are particularly proud of those accolades based on employee feedback. We are thankful to employees who shared their positive experience of working at Sandy Spring Bank and congratulate them for living our core values each day and creating a great place to work for their colleagues.

2020 Accolades

- Named one of the Best Banks to Work For by *American Banker* magazine
- Recognized as a top workplace for the second year in a row by *The Washington Post* and *The Baltimore Sun*
- A certified Great Place to Work® based on employee feedback
- Named one of America's Best-In-State Banks by *Forbes*, receiving the top spot in Maryland, for the second year in a row
- Ranked first in the *Washington Business Journal's* list of midsize companies by volunteer hours and ranked eighth in giving



Professional Development

Our performance management program is an interactive practice that engages employees through monthly coaching sessions with their managers, annual reviews customized to the individual's position, and annual goal setting.

We offer a variety of programs to help employees learn new skills, establish and meet personal development goals, take on new roles and become strong leaders. Highlights of our development programs include:

Tuition Assistance Program

We offer full- and part-time employees financial support to advance their educational goals.

Career Pathways

This development program, open to all employees, includes self-assessment, career planning workshops and a mentoring program with a diverse group of company leaders who have been trained in the development planning process. After completing the program, employees have the opportunity to participate in a structured job shadowing experience.

Remarkable Manager Orientation

Managers at all levels, including those new to our company or newly promoted, participate in Remarkable Manager Orientation. This program educates participants in core skills for effective management, explores the effectiveness of different management styles, and trains them in our performance management program.

Leadership Development Programs

We provide high-potential employees with opportunities to develop leadership, managerial and technical skills through programs with the ABA Stonier Graduate School of Banking, the Maryland Banking School and the Virginia Bankers School of Bank

Management. These multi-year programs combine intensive in-person sessions, home study curricula and peer group projects to develop skills critical to career growth and success.

Commercial Banker Associate Program

Started in 2019, this multi-year program targets current employees who want to advance their careers in commercial banking. The curriculum covers topics such as commercial lending, credit analysis and treasury management. Participants progress through stages based on demonstrating mastery of the learning and performance objectives at each stage.

What our employees had to say—

“I have benefited from hands on learning and working on deals of all sizes within the Loan Center as well as the Commercial Market. I have learned a lot from regular conversations with my mentor and my supervisor related to analysis and structure of commercial loan requests.”

—Marla Harrison, CBA



The training and support offered through this program will help me achieve the knowledge I need for my career as a commercial banker. I have forged many new relationships through this program and have learned many new things. I would like to think I was always an engaged employee, however I feel even more engaged now.”

—Ashumi Lee, CBA

Benefits that Exceed Expectations

Our employees work hard and we reward them with fair compensation and a comprehensive package of benefits.

We offer a minimum hourly wage of \$15 (following a brief training period) for all entry-level positions in all of our markets. Highlights of our competitive benefits package include:

Flexible Benefits Plan

All employees are eligible for a variety of pre-tax health, dental and vision insurance plans as well as flexible spending and dependent care spending accounts that allow employees to craft a program that will best suit their personal situations.

Annual Cash Incentive

All employees who do not already participate in a specific incentive plan receive an annual cash bonus based on our company's results.

401(k) Plan

This retirement benefit provides the maximum match allowed by law with a default enrollment to encourage employees to save for retirement. Our plan offers a wide range of investment alternatives including company stock, and provides free one-on-one counseling with a financial expert to assist employees in meeting their retirement savings goals. We paid \$5.2 million to employees in matching contributions in 2020.

Employer-Paid Life Insurance

This benefit is equal to 2x annual salary or equivalent, up to a maximum of \$500,000.

Employee Stock Purchase Plan

Our plan enables employees to accumulate up to \$25,000 of company stock per year at a 15 percent discount to the market price.

Benefits to Balance Work, Life and Wellness

Sandy Spring Bank understands that to get the best from our employees, we need to support their day-to-day needs for home, family, health and wellness. Here are just a few ways we support our team:

Paid Leave Benefits

including vacation and sick time, holidays, parental and adoption leave for new families, community service time, jury duty, military leave, bereavement leave, and short- and long-term disability.

Tobacco-Free Policy

Our policy prohibits the use of tobacco products in all of our facilities.

Employee Assistance Program

Provides professional, confidential counseling assistance for employees and their family 24/7.

Annual Family Picnic

An annual highlight is our family picnic, featuring games, music, food and activities for all of our employees and their partners and children. While limitations on large gatherings prevented us from holding our family picnic in 2020, we look forward to hosting our entire Sandy Spring Bank family as soon as it is safe to do so.

Employee Engagement and Communication

We seek to offer multiple channels for employee engagement with senior leaders and opportunities for them to offer feedback to help us improve our performance and make our company a better place to work.

Employee Engagement Surveys

We regularly solicit employee feedback through a confidential, company-wide survey on culture, management, career opportunities, compensation and benefits. The results of this survey are reviewed with senior and executive leaders. We use employee feedback to update employee programs, initiatives and enhance communications.

Employee Town Halls

CEO Dan Schridder and CFO Phil Mantua are featured speakers during our quarterly town hall meetings that are open to all employees. We also include a variety of guest speakers to highlight different areas of our company and to give employees access to a variety of leaders across the company.

Discounted Banking Services

All employees are eligible for free employee checking accounts, discounts on loans and other banking products.

Wellness Program

Our wellness program offers financial rewards to employees who adopt healthy habits and participate in wellness education and health screens. Wellness rewards are credited each payday.

Home and Auto Insurance

Employees have access to experienced professionals at Sandy Spring Insurance to create an affordable insurance program for their personal needs.



Chatter

Through Chatter, our internal message board, employees stay connected and share volunteer and donation opportunities, events and activities. In 2020, Chatter was a critical means for employees to remain connected during the pandemic.

Quarterly Principles Awards

Employees can nominate their fellow employees who demonstrate any of our core principles in delivering a remarkable experience to an external or internal client. Winners are recognized at quarterly President's Circle events hosted by executive management. The events were deferred in 2020 due to the pandemic and will restart when it is safe to do so.

Meeting in a Box

Winner of a CXPA Innovation Award, our Meeting in a Box initiative engages employee teams in a synchronized effort to discuss the same monthly client or employee experience.



Consistent. Remarkable.

Supporting Employees During Covid-19

The COVID-19 pandemic affected everyone and all organizations around the globe in 2020. Our first responsibility was to help ensure the safety and wellbeing of our employees and their families and enable them to continue to provide high-level, uninterrupted support to our clients.

As the significant threat of the COVID-19 pandemic became clear, we implemented pandemic protocols to protect the health and safety of our employees. Specifically, we:

Suspended all business-related travel, limited in-person meetings with outside parties, and asked employees to postpone non-essential personal travel.

Temporarily closed certain branches without drive-thru facilities and re-deployed employees to support our Client Service Center to assist clients by phone.

Implemented enhanced cleaning and disinfecting procedures.

Transitioned approximately 85 percent of non-branch personnel to teleworking, providing laptops as needed with secure VPN access.

Developed comprehensive guidance for responding to any COVID-19 diagnoses or exposures in company facilities.

Closed branch lobbies to the public, established a process for clients to schedule appointments for critical needs, and made a wider range of transactions possible in drive-thru facilities.

Provided facemasks, hand sanitizer and disinfectant wipes in all facilities and installed acrylic shields to help protect employees and clients.

In July 2020, we began a phased approach to returning employees to the office while continuing to operate with appointment-only lobby access in all branch offices and capping staffing levels at non-branch facilities at 25 percent of normal occupancy. Our return-to-work roadmap was informed, in part, by feedback from employee surveys. We will continue to monitor COVID-19 prevalence levels and state government mandates that may influence our return-to-work roadmap to help ensure the health and safety of our employees and customers.

To support employees and their personal needs during the pandemic, we took the following steps for all employees:

Enhanced Leave

We established a special enhanced personal leave benefit by providing up to two weeks of additional paid time off to employees who are unable to work for reasons related to COVID-19. We also created a COVID-19 hardship leave benefit, comparable to the benefit created under the Families First Coronavirus Response Act, which provides up to 12 additional weeks of expanded family and medical leave for specified reasons related to COVID-19. Through December 31, 2020, we paid a total of \$318,000 in COVID-19 leave benefits.

Appreciation Bonus

Branch personnel and support staff whose responsibilities did not permit them to work remotely were awarded a bonus of up to \$1,200.

Well-being Resources

All employees had access to resources to support mental health and wellness through our Employee Assistance Program.

Open Lines of Communication

Executive management communicated frequently with employees, providing regular updates regarding safety measures and the resources and benefits available.

Due to the reduction in branch services, nearly two dozen branch associates transitioned to roles within our mortgage and consumer lending teams and our Client Service Center. Employees who could not be redeployed continued to be paid. We did not furlough or lay-off any employees as a result of the pandemic.