

# 2021 CORPORATE RESPONSIBILITY REPORT

## OUR SUSTAINED COMMITMENT TO CORPORATE RESPONSIBILITY

2021 CORPORATE  
RESPONSIBILITY REPORT



Sandy Spring Bank

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**THOUGH A FEW THINGS HAVE CHANGED  
SINCE WE FIRST OPENED OUR DOORS OVER 150 YEARS AGO,**

One thing has not: Our commitment to creating opportunities for our clients, our employees and our communities. We are also committed to transparency and are proud to share our progress with you here.



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# A MESSAGE FROM OUR PRESIDENT AND CEO



**Sandy Spring Bank has proudly served the Greater Washington region for 154 years. Our company's success and longevity are not a coincidence. Over the decades, our past leaders and thousands of employees have been intentional stewards of our company and the communities we serve. Every day we strive to uphold this legacy through the products and services we offer, the opportunities we provide for our people and communities, and the ways we care for the environment.**

We are committed to measuring our progress and making a meaningful impact, so we are pleased to share with you our second annual Corporate Responsibility Report. This report details where we are in our journey to address the areas that we believe are most important to our stakeholders and to driving long-term value. Our focus areas include:

- Ensuring a strong governance and 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

Our efforts today will pave the way for future generations of clients, employees and community partners, so we are committed to getting it right. We will evolve our reporting in the years ahead and continue to be transparent about our approach.

On behalf of all of us at Sandy Spring Bank, thank you for your interest in our work. We are grateful for the opportunity to build strong communities and trust in our organization.

Sincerely,

A stylized, handwritten signature in black ink, appearing to read 'DJS'.

**DANIEL J. SCHRIDER**

President and CEO





# ENVIRONMENT

## 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 continue to upgrade our technology to reduce paper usage and reliance on paper-intensive processes. These initiatives reduce our carbon footprint while making it easier for clients to do business with us. **Key processes that we have transitioned to digital include:**

#### MORTGAGE LOAN APPLICATIONS

In 2021, more than 84% of mortgage applications were created online.

#### MORTGAGE LOAN CLOSINGS

Our e-closing tool allows mortgage borrowers to sign the majority of their closing packages electronically, which significantly reduces the size of the physical closing package and the time borrowers need to spend at closing.

#### PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS

In 2021, we processed applications for forgiveness of over 8,100 PPP loans exclusively through our digital portal.

#### ACCOUNT OPENING

Our online account opening tool enables clients to apply for, open and fund deposit accounts entirely online without printing and mailing paper forms.

#### COMMERCIAL LOAN PROCESSING

In 2021, we transitioned to a new commercial banking system that enables us to process commercial loans with far fewer – and sometimes zero – paper documents.

In 2021, we added the ability to chat with clients through our online banking platform. Clients can also allow our client support agents to jointly navigate our website to help with a transaction or find the right page for the service they need.

## 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.



**50%**

Nearly 50% of eligible clients use our digital banking tools.



**47%**

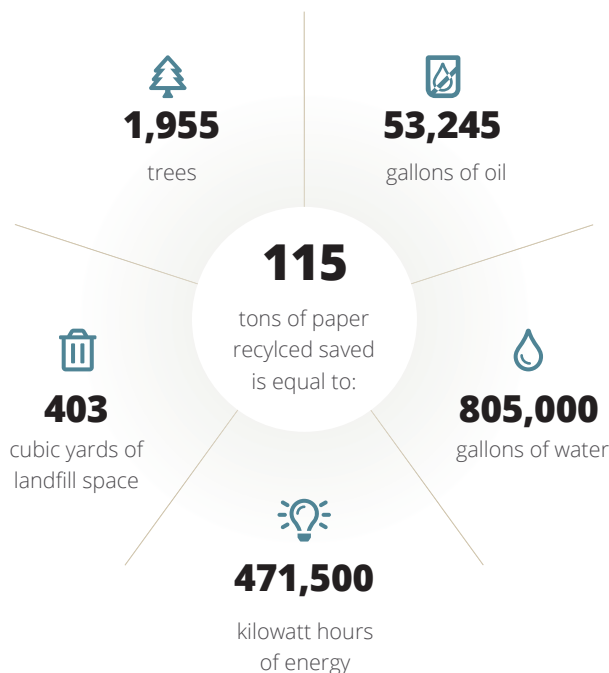
47% of eligible clients receive electronic statements.

## REDUCING WASTE

Our shredding and recycling efforts keep our clients' personal information safe while reducing waste. In 2021, we recycled an estimated 115 tons of paper, even as many of us continued to work from home 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 also work with our suppliers to procure products from renewable sources, including recycled paper products, whenever possible.

In addition, by increasing our use of electronic processes and document imaging we are significantly reducing the amount of paper and ink we purchase. During 2021, we purchased approximately 33 percent less paper than in 2020, 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 light bulbs and fixtures throughout our facilities.



### 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.



### 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.



### 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.

## SUPPORTING CLEAN ENERGY AND ENERGY EFFICIENCY

We partner with Montgomery County Green Bank in Maryland to finance loans through its Commercial Loan for Energy Efficiency and Renewables (CLEER) financing program. We also partnered with the DC Green Bank to help launch its CLEER program in the District of Columbia. Through the CLEER financing programs, 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.

Through 2021, we have financed \$1.8 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.**



## PRESERVING A LOCAL LANDMARK

The Olney Ale House is an iconic and historic restaurant located in Olney, Maryland that has served the community since the 1920s. A 2019 fire damaged the restaurant, forcing it to close. The Montgomery County Green Bank and Sandy Spring Bank joined together to provide approximately \$200,000 in flexible

financing to help re-open the restaurant. The financing is helping Olney Ale House introduce improvements to recover from the fire and the impact of the COVID-19 pandemic while reducing operating costs and energy consumption.

**“Thanks to community support and our partnership with the Montgomery County Green Bank and Sandy Spring Bank, we look forward to welcoming our guests back to the Ale House,” said owner John Roach. “Because of funding through the Green Bank’s CLEER program with Sandy Spring Bank, we’re returning stronger, healthier, and more resilient than before.”**

## KEEPING A COMMUNITY TOGETHER, WHILE REDUCING ITS ENVIRONMENTAL FOOTPRINT

The Glen Manor Condominiums in Silver Spring, Maryland, is a 32-unit affordable condominium with diverse residents including 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.



# 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.

Nearly 27,000 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 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 2021, our community development loans and investments:**

- Helped provide 252 affordable housing units
- Supported organizations that serve the elderly, the homeless, individuals with intellectual and developmental disabilities and disabled veterans, among others



**24%**

Offices in low- to moderate-income areas.



**58,925**

Low- or no-cost consumer checking accounts.



**\$52.7M**

Community development loans originated.



## 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 remaining favorable in 2021, 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.

### 2021 HIGHLIGHTS

**\$310M**

Single-family mortgage loans to low- to moderate-income clients

**\$241M**

Affordable housing loans originated

**\$307M**

Loans originated for first-time home buyers

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.



**8,571**

Loans



**\$1.6B**

Billion

### 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. The program was renewed in 2021 to allow eligible business to obtain additional support.



# 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.



## SANDY SPRING BANK FOUNDATION

Over the past four years, the Sandy Spring Bank Foundation has donated \$850,000 to 19 nonprofit organizations in our region.



## PERSONAL GROWTH

Since 2012, Sandy Spring Bank and Vehicles for Change have partnered to finance cars for low-income individuals who need them to get to work and sustain their families. For Mother's Day 2021,

Sandy Spring Bank and Vehicles for Change donated cars to two local single mothers.

## ADVANCING A MORE EQUITABLE COMMUNITY THROUGH MARTHA'S TABLE

Sandy Spring Bank has supported Martha's Table since 2017. Through charitable donations and our employee volunteers, we work to support their mission of advancing a more equitable Washington, D.C. In 2021, employees volunteered at a back-to-school giveaway event hosted by Martha's Table. Families were invited to safely pick up school supplies at no

cost, including backpacks and PPE items. Sandy Spring Bank also sponsored Martha's Table's annual benefit, which helps the organization continue to operate nationally accredited education programs, pair healthy food access with physical and mental health services, and promote family success by investing in family leaders.



## FINANCIAL LITERACY AND EDUCATION

For over 10 years we have partnered with EverFi, an education technology company that provides learners of all ages with 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, known as The \$tation, offers an assortment of interactive financial education learning topics, with subjects including building emergency savings, mortgage education and retirement planning. The site had nearly 10,000 visitors in 2021. Sandy Spring Bank has supported Howard Community College in Columbia, Maryland for 30 years.

Our contributions supported several programs in the 2021 – 2022 academic year:

- **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.
- **Silas Craft Collegians:** Offers a select group of students – most from low- to moderate-income families – personalized attention, mentoring, and peer reinforcement, as well as scholarships that help bridge the gap in the financial aid they receive.
- **Fueling Dragons program:** Helps address food insecurity and provides nutrition and health education.

We also continued to support a scholarship program, first launched in 2005 with funding from Sandy Spring Bank.

Sandy Spring Bank has been the title sponsor for George Mason University's Diversity Scholarship Golf Classic for over a decade. The 2021 event benefited two programs:

- **Early Identification Program:** Supports the development of first-generation college-bound students beginning in the eighth grade.
- **Student Transition Empowerment Program:** Supports first-generation students once they arrive on campus.

## 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. These programs play an important role in providing families with

the healthy food they need in a dignified and accessible way. In 2021, we partnered with CVS Health to hold a food drive for both food banks. Through donation boxes at each of our branches, we collected and donated more than 1,500 pounds of food.

## ENVIRONMENTAL CONSERVATION

For the past three years, Sandy Spring Bank has supported the Chesapeake Bay Trust. This nonprofit organization is dedicated to improving the natural resources of the Chesapeake region through environmental education, community engagement and local watershed restoration. Each year the Chesapeake Bay Trust awards more than \$10 million in grant funding to hundreds of nonprofits and community organizations throughout the region.

**In December 2021, a team of Sandy Spring Bank employees presented a \$10,000 donation to the Capital Area Food Bank, which continued to experience high demand in 2021 due to the pandemic. After the presentation, the team helped to fill hundreds of boxes of food for area seniors.**

## 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 long-standing relationships with our local chapters of Rebuilding

Together, which provide free critical home repairs, energy efficiency upgrades, and accessibility modifications to vulnerable residents of our communities with our financial support and the efforts of employee volunteers.

## CASUAL FOR A CAUSE

Casual for a 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 more than \$75,000 for more than 55 organizations across our footprint as part of the program. Although many employees worked remotely for much of 2021, we enabled contributions through payroll deductions so that we could maintain our support for a number of organizations that provide important social services across our footprint.

### 2021 beneficiaries of our Casual for a Cause program:

- |   |   |   |                                     |
|---|---|---|-------------------------------------|
| • Maryland SPCA                         | • The Newwave Foundation                    | • Friendship Place  | • Adoptions Together                |
| • The Women's Center, Northern Virginia | • Community Action Council of Howard County | • Student Homeless Initiative Partnership of Frederick County | • A Wider Circle                    |
| • LEDC Latino                           | • Manna Food Center                         |   | • West FairFax Christian Ministries |



## 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 tradition. 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.

In 2021 we launched our Community Engagement + Brand Ambassador Committee with volunteers from across the company to identify opportunities to serve our local communities in ways aligned with our strategic giving pillars and coordinate employee engagement.



**6,379**

Volunteer Hours



**203**

Organizations Served



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

#### 2021 beneficiaries of our Season of Sharing:

- Adoptions Together
- A Wider Circle
- Capital Area Food Bank
- Western Fairfax Christian Ministries
- Pajama Program
- Toys for Tots
- Anne Arundel County Literacy Council
- Everybody Wins DC
- Howard County Food Bank

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.





# GOVERNANCE

## 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, 2021, the board consisted of 11 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 one identifies as a person of color. 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, five of our 12 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 persons of color.

Board size	<b>12</b>
Independent chairman	<b>Yes</b>
Independent directors	<b>11</b>
# of women directors	<b>3</b>
# of diverse directors	<b>1</b>
Average age of directors	<b>64 years</b>
Average tenure of directors	<b>10.5 years</b>
Mandatory director retirement age	<b>72 years</b>

## 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 more information about our risk oversight and 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

## ESG OVERSIGHT

Our board of directors has responsibility for overseeing policies, programs and strategies related to environmental, social and governance (ESG) matters. Board committees also play an important role in oversight of ESG matters. The board's Executive and Governance Committee oversees our policies and practices

on significant issues of corporate social responsibility and sustainability. The Compensation Committee assists the board in the oversight of our human capital management strategy, including strategies and initiatives on diversity, equity, and inclusion, employee well-being and engagement.



## 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.

### AT SANDY SPRING WE...

### WE DO NOT...

- |   |  |
|---|--|
| ✓ Use an independent compensation consultant that is retained by and reports to the Compensation Committee  | ✗ Provide tax gross-ups to executive officers                                |
| ✓ Tie a significant portion of executive compensation to performance  | ✗ Provide "single-trigger" vesting of equity awards upon a change in control |
| ✓ Require minimum performance threshold be attained before any incentive compensation is paid   | ✗ Provide "single trigger" severance upon a change in control                |
| ✓ Impose maximum caps on incentive compensation   | ✗ Provide excessive perquisites  |
| ✓ Tie incentive compensation to a clawback policy   | ✗ Permit hedging or pledging of Sandy Spring stock                           |
| ✓ Require significant stock ownership by our named executive officers, including 4x base salary for our CEO and 2x base salary for our other executive officers | ✗ Encourage excessive risk-taking through our compensation programs          |
| ✓ Conduct an annual risk assessment of our compensation programs  | ✗ Provide supplemental executive retirement plans                            |

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.

- |   |   |
|---|---|
| ✓ Independent chairman  | ✓ Continuing director education program                           |
| ✓ Mandatory director retirement age of 72   | ✓ Stock ownership guidelines for directors and executive officers |
| ✓ Independent directors meet regularly in executive session                             | ✓ Anti-hedging policy   |
| ✓ Audit, Compensation and Nominating Committees consist solely of independent directors | ✓ Clawback Policy   |
| ✓ Audit Committee meets with auditor in executive session                               | ✓ Code of Ethics and Business conduct available on website        |
| ✓ Oversight of enterprise risk through Board Risk Committee                             | ✓ Corporate governance policies available on website              |
| ✓ Plurality plus resignation in uncontested director elections                          | ✓ One share, one vote structure                                   |
| ✓ Annual board evaluations  | ✓ No shareholder rights plan                                      |

# 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.

#### 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.

#### 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.

#### 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.

#### 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.

#### 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.

**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 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.

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.



# 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 2021, with many employees continuing to work from home and many clients using email to communicate with us, we maintained 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 political action committees, 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.





# PEOPLE

## 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.

### 2021 ACTIONS

Formed CEO-led advisory group of employees to help develop new initiatives designed to advance racial diversity at the company, with particular focus on:

- Ensuring that every person at Sandy Spring Bank has access to opportunities to learn and grow within the company
- Mitigating unconscious biases
- Building a racially diverse pipeline of leaders
- Empowering managers to mentor and advocate for employees of color

The group's first initiative was to pilot a mentorship program for diverse leaders across the company, which kicked off with its first class of 11 participants in late 2021.

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 other historically underrepresented communities. We have also expanded 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.



**59%**

Percent of women in workforce



**27%**

Percent of women in senior management



**38%**

Percent of people of color in workforce



**8%**

Percent of people of color in senior management

# 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 take the long view
- Whatever we do, we will always do what is right
- We will always take the extra step
- We will make it our own

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.

## 2021 Accolades

- ✓ USA Top Workplace Award – Energage 2021
- ✓ Washington Post Top Workplace 2021
- ✓ Baltimore Sun Top Workplace
- ✓ American Banker Best Banks to Work for List
- ✓ Great Place to Work certified 2021
- ✓ Best-In-State Bank for the state of Maryland - Forbes



The Washington Post



BALTIMORE SUN MEDIA

## 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 a self-assessment, career planning workshops and a mentoring program with a diverse group of company leaders. 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. Ongoing training supports continued development of our managers.

### 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.

### 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.

## WHAT OUR EMPLOYEES HAD TO SAY

“

**“[Career Pathways] will give you tools you can use over and over again. It is the best thing I have done for myself... This program brought out the best in me.”**

- Angelique Sarr, Branch Relationship Manager

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## 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 \$17 (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.

#### 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. In 2021 we had a 96% participation rate and paid \$5.6 million to employees in matching contributions.

#### 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.

#### 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.



## 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, jury duty, military leave, bereavement leave, and short- and long-term disability.

### EMPLOYEE ASSISTANCE PROGRAM

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

### 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.

### TOBACCO-FREE POLICY

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

## 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.**

As concerns about large gatherings prevented us from holding our family picnic again in 2021, we held a virtual picnic party to distribute the door prizes that had been purchased for the picnic.



## EMPLOYEE ENGAGEMENT AND COMMUNICATION

We 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.

### CHATTER

Through Chatter, our internal message board, employees stay connected and share volunteer and donation opportunities, events and activities. In 2021, Chatter continued to be a critical means for employees to remain connected while many worked remotely.

### EMPLOYEE TOWN HALLS

CEO Dan Schrider 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.

### 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.

### 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. In 2021, we engaged in a variety of exercises to enhance their empathy skills.

**CX** meeting in a box   
Consistent. Remarkable.

# SUPPORTING EMPLOYEES DURING COVID-19

**We began 2021 with appointment-only lobby access in all branch offices and capping staffing levels at non-branch facilities at 25 percent of normal occupancy.**

Our first responsibility continued to be to help ensure the safety and well-being of our employees and their families and enable them to continue to provide high-level, uninterrupted support to our clients. To support employees and their personal needs during the pandemic, we kept in place the benefits we created in 2020.

## ENHANCED LEAVE

We provided up to two weeks of additional paid time off to employees who are unable to work for reasons related to COVID-19. We also continued to offer a COVID-19 hardship leave benefit, comparable to the benefit 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. When vaccines became available, we provided paid time off for employees to get their vaccination, as well as time needed to recover

from side effects. Through December 31, 2021, we paid over \$475,000 in COVID-19 leave benefits.

## WELL-BEING RESOURCES

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

We reopened our branches to walk-in traffic in June 2021 and increased staffing levels at non-branch facilities to 50 percent of normal occupancy in July 2021 and then to 100 percent in November 2021. To create the safest possible work environment

for employees in our offices, we instituted a COVID-19 vaccine requirement, with appropriate accommodations for medical and religious reasons, which resulted in over 99 percent of our employees being vaccinated.