



Sandy Spring
Bank

HERE FOR THE FUTURE OF OUR COMMUNITY



A MESSAGE OF GRATITUDE FROM OUR CHAIR, PRESIDENT AND CEO

If you've ever spent any time at Sandy Spring Bank, you know that our people distinguish us. We employ empathetic and caring individuals who are also remarkable professionals.

I want to say a special thank you to our 1,100 employees. This Corporate Responsibility Report is a testament to how you always strive to do what is right for our shareholders, clients, community partners, and colleagues. You make personal connections with the individuals, families, and businesses we serve and work hard to earn and maintain their trust.

As a local bank, what we do is personal for us. We live, work, and raise our families in the communities we serve. We believe in what we do because our clients are neighbors, and the businesses we bank power our local economy.

So once again, thank you to all our employees. You represent the best of Sandy Spring Bank, and it is my honor to work alongside you.

And to our shareholders and clients, we appreciate your partnership and trust. We are proud to serve you, and we are pleased to share our continued progress with you.

With gratitude,



Daniel J. Schrider
Chair, President and CEO



TABLE OF CONTENTS

HOW WE SUPPORT:

The Environment

Managing Our Environmental Impact **3**

HOW WE SUPPORT:

Our Community

Financial Inclusion **6**

Supporting Our Communities **8**

HOW WE SUPPORT:

Good Governance

Ensuring Strong Corporate Governance **11**

Maintaining the Highest Business Standards **14**

Ensuring Strong Data Protection **16**

HOW WE SUPPORT:

Our Workforce

Diversity and Inclusion **17**

Talent Acquisition, Development, Retention and Engagement **19**

ENVIRONMENT

MANAGING OUR ENVIRONMENTAL IMPACT



Protecting the environment is a critical issue for all of us as we witness firsthand the impact of climate change. At Sandy Spring Bank, we utilize sustainable business practices that minimize our own impact on the environment while serving as a financial services partner for clean energy and energy efficiency projects.

Our ongoing effort to reduce our reliance on paper is accomplished through digitalization, waste reduction, and recycling. As we modernize aging facilities, we also upgrade their energy and resource efficiency. In 2023, we renovated our company headquarters, which included the complete replacement of the almost 40-year-old heating and cooling machinery with a modern, energy-efficient system. During this renovation, other efficiency features were added, such as motion-sensor lighting and new, energy-efficient appliances.

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

SUPPORTING CLEAN ENERGY AND ENERGY EFFICIENCY

Sandy Spring Bank has been a proud financial partner of Solar Energy World for over 10 years. **Solar Energy World** is one of the fastest growing, independently owned solar installation companies on the East Coast, ranked the #10 solar installer for total residential kW installed in 2022 by *Solar Power World*, and the largest in Maryland for the fifth consecutive year.



In 2023, we partnered with **Suntrail Energy** to finance a \$1.3 million rooftop solar project in Temple Hills, Maryland. Suntrail Energy is a concept to completion development, design and construction company specializing in commercial and industrial solar projects primarily in the Mid-Atlantic region.

EMBRACING DIGITAL TOOLS

We continue to upgrade our technology to reduce our paper use 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 are now digital include:

MORTGAGE LOAN DISCLOSURES

In 2023, over 96% of initial mortgage disclosures were delivered by e-disclosure rather than through paper compared to 86% in 2022.

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. In 2023, 80% of our closing were done through either a hybrid or full e-close process.

COMMERCIAL LOAN PROCESSING

Our commercial banking system enables us to process commercial loans with far fewer — and sometimes zero — paper documents.

CONSUMER BANKING

In 2023, we introduced our new personal online and mobile banking platform providing more features to allow clients to manage their account information, track debit cards, pay bills, move money, make payments, and more — all safely and easily.



47%

of eligible clients received electronic statements.



50%

of eligible clients used our digital banking tools.

REDUCING WASTE

Our shredding and recycling efforts keep our clients' personal information safe while reducing waste. In 2023, we recycled an estimated 231,379 pounds of paper. In addition to the recycling of paper, we provide recycling bins to collect glass, plastic, and other recyclables throughout our network of properties.

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 2023, we purchased approximately 15% less paper than in 2022 and the amount of paper purchased in 2023 is 56% less than the amount purchased in 2019.

We began working with a new electricity provider with a greater ability to track our energy use. A working group now meets regularly to review our monthly usage.

231,379

POUNDS OF PAPER RECYCLED SAVED¹:



614

trees



61,826

kilowatt hours of energy



5,854

gallons of oil



185,248

gallons of water

¹Data from calculator at

<https://www.montgomerycountymd.gov/sws/footprint/>

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.



RENEWABLE ENERGY:

Under our electricity supplier agreement for our Maryland and Washington, D.C., locations, we purchase renewable energy credits equal to 10% 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, and purchase ENERGY STAR appliances whenever possible.



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.



ENERGY USAGE MONITORING:

In 2023, we continued our energy use monitoring initiative. Regular review of usage data for energy reduction opportunities has resulted in more robust response to usage anomalies. We evaluate HVAC systems in new and renovated locations for energy-saving upgrades, and track energy use savings at locations where upgrades have been installed to inform future upgrade decisions.



ENERGY STAR BENCHMARKING:

In 2023, we completed the Energy Star Benchmarking process for three Montgomery County office locations.

SOCIAL

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 starting a small business.

Our **Direct Banking** personal checking account product enables individuals and families to be in control of their banking in ways that best meet their financial goals, regardless of how, when, or where they bank with us. Direct Banking has no overdraft fees and is a convenient paperless account. In addition, Direct Banking received **BankOn** certification, a national standard for low-cost, low-fee bank accounts designed to help connect consumers with more affordable deposit accounts.

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

For those at least 55 years of age we offer **Senior Interest Checking**. There is 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 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.

NEW IN 2023 MULTICULTURAL WORKING GROUP

Sandy Spring Bank recognizes that it plays an important role in building a more inclusive financial system. In 2023, the Multicultural Working Group was created to develop a strategy to increase the Bank's multilingual materials, capabilities, and outreach, with an initial focus on the Spanish-speaking community. This cross-functional group provided insights on the Hispanic community, helped drive more awareness on the Bank's involvement in Hispanic-focused community events, and supported our efforts to recognize and celebrate Hispanic Heritage Month. The group also developed a language access plan that outlines our approach to making information, financial education, and Sandy Spring Bank products and services available to Limited English Proficiency consumers in our market area.

COMMUNITY DEVELOPMENT LENDING AND INVESTMENTS

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

In 2023, our community development loans and investments:

- Helped provide 436 affordable housing units
- Supported organizations that serve the elderly, homeless, individuals with intellectual and developmental disabilities, and disabled veterans, among others



22%

Offices in low- to moderate-income areas



56,656

Low- or no-cost consumer checking accounts



\$54.6M

Community development loans originated

HOMEOWNERSHIP

We strive to be an advocate for our clients in reaching their life goals, including home ownership. Sandy Spring Bank has helped people obtain mortgages in our community for more than 150 years, and we specialize in finding the right solution for each client to make home ownership attainable. We support affordable housing through our in-house portfolio products and partnerships with local community development agencies.

Our **Welcome Home Loan Program** provides affordable financing for home purchases for lower- and moderate-income purchasers. 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 located within low- or moderate-income census tracts. The program also allows eligible borrowers to refinance up to 100% of the home's value with no mortgage insurance.

We also offer Freddie Mac's **Home Possible** and Fannie Mae's **Home Ready**, which provide up to 97% financing for low- and moderate-income borrowers on either home purchase or refinances. Both programs offer flexible underwriting features, including more eligible sources of funds for down payment and closing costs.

2023 was our first full year in partnership with JP Morgan Chase and their **Chase Community Lending Program**. This program offers pricing discounts, which we pass on to borrowers, for eligible loans secured by property located in majority/minority census tracts. Discounts of up to \$4,500 were available. In 2023, we provided mortgages on 31 units for \$9.2 million.

In conjunction with these programs, we offer a down payment assistance program called **Closing the Gap Plus**. It provides up to 3% of the purchase price for borrowers who 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 a program for veterans, their spouses, or surviving spouses purchasing a home.

FIRST TIME HOME BUYER SEMINARS:

In June and July of 2023, the Bank hosted a series of first-time homebuyer seminars in recognition of National Homeownership Month. Held annually in June, National Homeownership Month is an opportunity to highlight the critical role that homeownership plays in communities across America. As a strong local bank, Sandy Spring Bank knows that homeownership can change the trajectory for individuals, families, and our local economy. For these reasons, we are deeply committed to making homeownership a reality for people across this region. These seminars provided information on our home loan and down payment assistance programs and critical tips for successfully navigating the mortgage process.

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 lender, which allows us to offer low down payment financing to all eligible borrowers.

2023 HIGHLIGHTS



\$108.4 MILLION

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



119 UNITS FOR \$33.4 MILLION

Affordable housing loans originated



435 UNITS FOR \$155.2 MILLION

Loans originated for first-time home buyers

SOCIAL

SUPPORTING OUR COMMUNITIES



FINANCIAL LITERACY AND EDUCATION

For more than 30 years, Sandy Spring Bank has cultivated a relationship with **Howard Community College (HCC)** sponsoring programs that address food insecurity, affordable education, and professional development. In the 2023-2024 academic year, Sandy Spring Bank proudly continued its support of the following programs:

- Skilled Immigrant Program, which provides professional development courses for mid- and advanced-level English speaking, bilingual, and multi-lingual students and is accessible to both credit and noncredit seeking students.
- Silas Craft Collegians, an exclusive opportunity for students to receive personalized attention, mentoring, peer reinforcement, and scholarships. The primary beneficiaries of this program are students who come from low- to moderate-income families.
- Fueling Dragons program, which helps address food insecurity and provides nutrition and health education to students at HCC.

In 2023, Sandy Spring Bank continued its support of **Forging the Future: The Campaign for Hood College**. Our annual donation supported the following:

- Unrestricted scholarships and financial aid.
- Academic support including but not limited to classroom equipment, library resources, and extra-curricular programs.
- Safe equipment and facilities for intercollegiate athletes.

Sandy Spring Bank has also been the title sponsor of **George Mason University's** Diversity Scholarship Golf Classic for more than a decade. The 2023 event benefited two programs:

- Early Identification Program, which supports first-generation college-bound students beginning in the eighth grade.
- Student Transition Empowerment Program, which supports first-generation students once they arrive on campus.

"Your generous contribution to my education has relieved me of the financial stress of being able to pay my tuition. It has taken a whole load off of myself and my family's shoulders."

– Brittney W., student at Howard Community College



AFFORDABLE HOUSING

Over ten years ago, Sandy Spring Bank partnered with **Habitat for Humanity Metro Maryland** to develop an innovative affordable housing program. Through our partnership, Sandy Spring Bank purchases home mortgages from Habitat, which enables them to buy additional properties that are renovated and sold to low-income families. Sandy Spring Bank continued our support of Habitat's mission to provide safe and affordable housing in June of 2023 through the **Women Build** initiative.



Women Build encourages women to volunteer in their communities and learn new skills. A team of Sandy Spring Bank employees was matched with a construction site in Takoma Park, Maryland where they stained fences, painted the house exterior, and helped construct the front and back porches. Through their efforts, employees raised more than **\$6,000**.

Since 2016, Sandy Spring Bank has proudly supported **Operation Renewed Hope Foundation (ORHF)**. We sponsored ORHF's Purple and Gold Gala in May 2023 which supports Veterans experiencing homelessness and helps them land back on their feet.

In 2023, Sandy Spring Bank fostered a new partnership with **SOME (So Others Might Eat)**. We sponsored SOME's 37th Annual Gala: Break The Cycle. Funds raised from this event supported SOME's fight against poverty and homelessness in the Greater Washington area.

HEALTH AND WELLNESS

Sandy Spring Bank employees organized a group of more than 30 walkers to participate in the annual **Best Buddies Friendship Walk**, the number one walk in the country raising awareness and funds to support inclusion for individuals with intellectual and developmental disabilities. Our employees raised nearly **\$20,000** in addition to SSB's corporate sponsorship.



In 2023, the Bank sponsored **Partners in Care (PIC)**, a volunteer-based organization that helps individuals older than 60 live more independently. Our donation helps PIC empower older adults to be active members of their community while living in the comfort of their own homes.

Sandy Spring Bank values financial education and sponsors organizations like **Junior Achievement (JA) of Central Maryland** who are committed to empowering our communities to make informed and confident financial choices. In 2023, 34 Sandy Spring Bank employees volunteered **275** hours supporting JA BizTown, a simulated city where fourth through sixth graders experience hands-on workplace, business, and personal finance challenges.

Additionally, our support of the JA Leading Ladies event held at the Stanley Black & Decker CDIY World Headquarters brought more than 200 area women professionals—including several Sandy Spring Bank leaders—and 100 outstanding female high school students together to foster a gender-balanced workforce. Employees participated in mentor activities that helped students gain valuable insight into potential career paths.

TOGETHER WE GIVE

Together We Give, formerly known as Casual for a Cause, is an employee-driven giving program that supports local nonprofit organizations. In previous years, employees donated to a different charity each month in exchange for the opportunity to wear jeans on Fridays. Since the inception of this program in 2016, Sandy Spring Bank employees have raised more than **\$80,000** for more than **60 organizations** across our region. With the introduction of hybrid work and a new casual dress policy, the program made a shift in 2023. Instead of 12 organizations, the program concentrated our efforts on four — highlighting one each quarter for awareness and giving. We paired our donation efforts with "lunch and learn" webinars led by our community partners to share information about their organizations and potential volunteer opportunities for employees.

2023 BENEFICIARIES OF TOGETHER WE GIVE

- Boys & Girls Club of Greater Washington
- Cornerstones, Inc.
- Kid Museum
- The Y in Central Maryland



EMPLOYEE VOLUNTEERISM

Our employees play a central role in advancing our commitment to our communities through volunteering. Employees are encouraged to sign up for volunteer activities and events throughout the year and record their hours to be recognized for their contribution.

To show our appreciation for employees who pursue their passion in the community, we created **Dollars for Doers**. When an employee volunteers at least 50 hours annually to an organization, we donate to that non-profit in recognition of their service.



4,462

Employee
Volunteer Hours



208

Organizations
Served

SEASON OF SHARING

Our volunteerism and philanthropic efforts are amplified during our annual **Season of Sharing**. At the end of the year, employees organize several community service and fundraising activities. Here are the highlights from 2023:

- Toys were wrapped and donated for families of the **Boys and Girls Club of Greater Washington**
- 287 pounds of food was collected and donated to the **Howard County Food Bank**
- 50 care bags were prepared with individual notes and donated for patients receiving treatment at **MedStar Montgomery Oncology Department**
- 35 children had a brighter holiday with the toys and gifts employees donated through the **National Capital Area Command Angel Tree**
- Boxes of food items were collected and delivered to newly arrived Afghan families through **NOVA Raft**
- 90 books and pajamas were collected to support a comforting bedtime routine and healthy sleep for children in adoption and foster care through **Pajama Program's** partnership with **Doorways**
- 900 bags of groceries were packed by employee volunteers at the **Capital Area Food Bank** to support senior citizens in the community
- \$16,000 was raised for **Toys for Tots** through our annual employee silent auction, client and employee donations, and SSB's corporate contribution



▲ Angel Tree



▲ Capital Area Food Bank



▲ Toys For Tots

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 January 1, 2024, the board consisted of 11 independent directors plus our Chair and CEO Daniel Schrider and former Executive Vice President & President of Commercial Banking Kenneth C. Cook for a total of 13.

Our 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. Currently, five of our 13 directors, or 38%, 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 Governance, and Executive. 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	13
Lead Independent Director	Yes
Independent directors	11
# of women directors	3
# of diverse directors	1
Average age of directors	65.5 years
Average tenure of directors	11 years
Mandatory director retirement age	72 years

MAJORITY VOTE STANDARD

Under our bylaws, a director nominee must receive more votes “for” than “against” to be elected in an uncontested election. If an incumbent director fails to receive a majority of votes cast, that director must tender his or her resignation, which will be given prompt consideration by the Nominating and Governance Committee. Under our Corporate Governance Guidelines, the Nominating and Governance Committee and the board may consider any factors they deem relevant in deciding whether to accept a director’s resignation. The board will promptly disclose its decision regarding the resignation and the basis for the decision.

CORPORATE GOVERNANCE GUIDELINES

Our board of directors has established [Corporate Governance Guidelines](#) to reflect the board’s commitment to sound and effective governance. Our Corporate Governance Guidelines, which address director selection and performance as well as board structure and operation, are 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, determines 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 Committee
- Investment Committee
- Compliance Committee
- Funding and Liquidity Committee
- Capital Management Committee
- Fraud Risk Committee
- Vendor Management Committee
- Technology Risk Committee
- Business Continuity Committee

ENVIRONMENT, SOCIAL, AND GOVERNANCE 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 Nominating and Governance Committee oversees our policies and practices on significant issues of governance, 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.

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.

- Lead Independent Director
- Mandatory director retirement age of 72
- Independent directors meet regularly in executive session
- Audit, Compensation, and Nominating and Governance Committees consist solely of independent directors
- Audit Committee meets with auditor in executive session
- Oversight of enterprise risk through board Risk Committee
- Majority vote required in uncontested director elections
- Annual board evaluations
- Continuing director education program
- Stock ownership guidelines for directors and executive officers
- Anti-hedging policy
- Clawback policy
- Code of Ethics and Business conduct available on [website](#)
- Corporate governance guidelines available on [website](#)
- One-share, one-vote structure
- No shareholder rights plan

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...

- Use an independent compensation consultant that is retained by and reports to the Compensation Committee
- Tie a significant portion of executive compensation to performance
- Require minimum performance threshold be attained before any incentive compensation is paid
- Impose maximum caps on incentive compensation
- Tie incentive compensation to a clawback policy
- 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
- Conduct an annual risk assessment of our compensation programs

WE DO NOT...

- Provide tax gross-ups to executive officers
- Provide "single-trigger" vesting of equity awards upon a change in control
- Provide "single trigger" severance upon a change in control
- Provide excessive perquisites
- Permit hedging or pledging of Sandy Spring stock
- Encourage excessive risk-taking through our compensation programs
- Provide supplemental executive retirement plans

We do not maintain employment agreements with any of our executive officers. Our Executive Severance Plan provides executive and key officers with severance benefits if their employment is terminated under certain circumstances. Providing for severance and change in control benefits is an important element of our executive compensation program, supports the creation of long-term shareholder value, and is necessary to attract and retain top executive talent in a competitive market. The Executive Severance Plan does not provide for any tax indemnification or "gross-up" payments for any golden parachute excise tax payments, and all change in control benefits are subject to a "double-trigger" (i.e., a change in control plus a qualifying termination of employment).

Providing for severance and change in control benefits is an important element of our executive compensation program, supports the creation of long-term shareholder value, and is necessary to attract and retain top executive talent in a competitive market. The Executive Severance Plan does not provide for any tax indemnification or "gross-up" payments for any golden parachute excise tax payments, and all change in control benefits are subject to a "double-trigger" (i.e., a change in control plus a qualifying termination of employment).

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

GOVERNANCE

MAINTAINING THE HIGHEST BUSINESS STANDARDS



Doing business honestly and ethically is at the 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.

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.

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.

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.

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 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.

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.

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 help ensure compliance with the numerous privacy and cybersecurity laws and regulations that apply to our business.

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. In recognition of October being National Cyber Security Awareness Month, our employees participate in company-wide engagement exercises featuring regular messages and micro trainings on the following:

- Phishing, Malware, and Spear Phishing
- Ransomware Training
- Cybersecurity at Home, Online Shopping, and Unsecured Networks

PEOPLE

DIVERSITY AND INCLUSION



Sandy Spring Bank employees are financial advocates for our clients, delivering the best possible solutions to meet their needs. They are the heart of our company and the key to our success. Attracting and retaining a diverse, highly-skilled workforce is critical to our long-term presence in the community. A workplace where everyone feels included, respected, and valued is what allows us to deliver a remarkable client experience.

DIVERSITY, EQUITY, AND INCLUSION (DE&I)

We are committed to building and nurturing a diverse and inclusive workplace where all backgrounds, experiences, interests, and skills are respected, appreciated, and encouraged. We recognize that diversity in our workforce is a strength to be fostered and valued.

Celebrating diversity begins with understanding and embracing the different markets we serve. We strive for our workforce to reflect our diverse client relationships and community partnerships, so we remain committed to attracting and retaining individuals with diverse skills and experiences. Employees who bring a variety of perspectives and experiences help us to understand the needs of our clients and expand our ability to serve their needs.

In 2023, we listened and leveraged employee perspectives within the three pillars of our diversity, equity, and inclusion plan: Awareness and Engagement, Inclusive Culture, Broaden Representation. Employee-led teams for these pillars submitted over 40 initiatives, some of which were already in progress, across the organization. Work continues to advance these goals and initiatives throughout our company.

Collaborative efforts across the company helped support the annual celebrations of Black History, Women's History, Hispanic Heritage, and Juneteenth. We also hosted our first annual Women's Leadership Awards and Conference event.

WORKFORCE DEMOGRAPHICS:



	2022	2023
Women in the workforce	57%	58%
Women in managerial roles	47%	52%
People of color in workforce	41%	43%
People of color in managerial roles	27%	27%

DE&I PILLARS:



INCLUSIVE CULTURE

GOAL: Embrace diversity and inclusivity at every level to enrich our workplace and our communities

BROADEN REPRESENTATION

GOAL: Promote and foster accountability for fair and equitable opportunities in a culturally diverse workplace and market

AWARENESS AND ENGAGEMENT

GOAL: Champion the development, promotion, and implementation of DEI awareness and engagement opportunities for all

PRINCIPLES AND VALUES

At Sandy Spring Bank, our goal is to create a remarkable experience for our employees who, in turn, create a remarkable experience for our clients. We encourage all employees to recognize each other for fulfilling this commitment and for living out our principles and values:

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

VALUES



Relationships



Integrity



Teamwork



Community



Drive for Performance

SPOT AWARDS

\$300 cash incentive to recognize individual employees for extraordinary demonstration of our Principles. In 2023, 154 Spot Awards were given out for a total of \$46,200.

PRINCIPLE AWARDS

Distributed each month based on employee nominations, these awards are given to individuals who exemplify our Principles in a remarkable way for the benefit of a client or the company. In 2023, 78 Principle Awards were given.

“YOU’RE REMARKABLE” CARDS

Everyone enjoys getting a note of thanks and appreciation, so we make it possible for employees to send “You’re Remarkable” cards to colleagues who have exceeded expectations. In 2023, over 1,560 cards were sent among our employees expressing gratitude and appreciation.



Women’s Leadership Conference 2023

2023 WOMEN’S LEADERSHIP AWARDS AND CONFERENCE

In March 2023, Sandy Spring Bank hosted its first annual Women’s Leadership Awards and Conference event, the theme of which was “Journey to Success.” The virtual conference offered a keynote address, followed by eight virtual learning sessions hosted by employees on topics relevant to women navigating a successful career. There were nearly 700 registrations for the sessions, and over 500 conference participants. In addition, the Bank sponsored a Women’s Leadership Awards Breakfast. Leadership awards were given to six outstanding Bank employees, recognizing their dedication to the company, to our clients, and to supporting other female colleagues.



PEOPLE

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.

In 2023, 29% of our open positions were filled by internal candidates, creating internal mobility and advancement across the company. In addition, we actively seek to recruit new people to join us through a variety of outreach efforts.

We use a variety of digital tools to increase the visibility of our job postings among underrepresented job seekers, including veterans, individuals with disabilities, mature workers, and other historically underrepresented communities. We have also expanded our recruiting efforts to area community colleges and universities with diverse student populations.

We have forged strategic partnerships with regional organizations and associations representing diverse communities. Examples include posting job opportunities, holding informational sessions, and participating in job fairs.

ORGANIZATIONS AND INITIATIVES WE WORKED WITH IN 2023 INCLUDE

- Prince Georges County Workforce
- Anne Arundel County Workforce Development
- Howard County Office of Workforce Development
- Hiring our Heroes
- SEEC (Seeking Employment Equality and Community)
- Maryland Minority Business Counts
- Bowie State University
- Coppin State University
- Howard Community College
- Morgan State
- Fort Meade Veterans
- 2023 National Diversity Career Expo

PROFESSIONAL DEVELOPMENT

Our interactive performance management program empowers employees to take ownership of their career growth. Employees participate in monthly coaching sessions with their managers, annual reviews that are customized to their position and annual goal setting. Managers complete an annual talent assessment and identify candidates for further development.

Our comprehensive online learning platform provides instant access to more than 5,000 professional and personal development courses ranging from Microsoft Office skills to problem solving, leadership, communication, relationship building, service skills, personal wellness, and more. The following programs also help employees learn new skills, establish and meet personal development goals, take on new roles, and become strong leaders:



TED TALK TUESDAYS

Launched in fall 2023, a different TED Talk was featured each Tuesday for a brief, inspiring and educational message. Employees were invited to leave their comments and impressions of the talk alongside.



REMARKABLE MANAGER CHALLENGE

This program for managers and team leaders focuses on one leadership topic for a four-to-six-week period. During the challenge, managers and team leaders complete recommended e-learnings, read a variety of articles, complete activities with their team members, and discuss what they learned with each other. A total of 64 managers participated in the two challenges held in 2023.



ACCESS MENTORSHIP

This program is designed to increase the visibility of diverse talent across the enterprise. Mentees participate in exercises to identify their strengths, values, and goals. Senior leaders serve as mentors, helping mentees navigate successful careers. A cohort of 15 mentees completed the six-month program in 2023.



TUITION ASSISTANCE PROGRAM

We offer full- and part-time employees financial support to advance their educational goals. In 2023, we paid over \$89,750 in tuition benefits to 45 employees.



CAREER PATHWAYS

This development program is available to all employees and 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. There were 39 participants in 2023.



INDUSTRY DEVELOPMENT PROGRAMS

High-potential employees can develop leadership, managerial, and technical skills while deepening their understanding of our industry through participation in 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. In 2023, 22 employees participated.

SUPPORTING CAREER DEVELOPMENT THROUGH MENTORSHIP

ACCESS is a mentorship program designed to increase the visibility of diverse talent across the enterprise. Mentees participate in exercises to identify their strengths, values, and goals. Senior leaders serve as mentors, helping mentees navigate opportunities for success in their careers. In 2023, a cohort of 15 mentees (66% women and 47% people of color) successfully completed the six-month long program.

A new ACCESS cohort of 19 mentees (58% women and 47% people of color) was formed in December 2023.

"I felt valued, important, and invested in by my company because of the ACCESS program. I appreciated all the workshops where I learned much about myself and my skills and professional development. The ACCESS program opened doors for me, and gave me the incredible opportunity to be paired with a senior leader of the company who listened to me and cared for me, and connected me to other senior leaders."

– 2023 Access program participant

BENEFITS THAT EXCEED EXPECTATIONS

Our employees work hard, and we reward them with fair compensation and a comprehensive package of benefits to meet life's needs.



FLEXIBLE BENEFITS PLAN

All employees are eligible for a variety of 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 the company's results.



PAID LEAVE PLANS

Sandy Spring Bank offers more PTO than the national average for full-time employees with one year of service. In addition to paid holidays, all employees accrue paid time off for vacation and personal needs; in addition, they can take advantage of special paid leave programs that provide for work/life balance, such as six weeks of parental leave for new parents, temporary disability coverage, compassionate leave, community service leave, jury duty, and more.



401(K) PLAN

This retirement benefit provides a default enrollment to encourage employees to save for retirement. Our plan matches 100% of the first 4% of pay contributed and 50% on the next 2%, the maximum allowable by law, and all matching funds are 100% vested. We also offer a wide range of investment alternatives including company stock and provide free one-on-one counseling with a financial expert to assist employees in meeting their retirement-savings goals. In 2023, we had a participation rate of over 98% and paid nearly \$6.0 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% discount to the market price.

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.



EMPLOYEE TOWN HALLS

Our Chief Executive Officer, Dan Schrider, and Chief Financial Officer, Phil Mantua, connect with employees during quarterly town hall meetings that are open to all employees. Hosted by Chief Human Resources Officer, Gary Fernandes, these live video events include guest speakers who highlight different areas of our company and share updates and announcements. Employees can submit questions in advance and watch recordings of the event if they are unable to attend live.



CHATTER

Our internal message board helps employees stay connected, as well as share volunteer and donation opportunities, community activities, and celebrations.

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 topic. In 2023, we focused on our stated Principles and Values. Each topic was introduced with a video from an executive officer sharing a personal example of our principles in action.



Consistent. Remarkable.

A GREAT PLACE TO WORK®

For the third consecutive year, Sandy Spring Bank received certification as a Great Place to Work. This honor is a direct result of what our employees have to say about our values and their experience and affirms our culture of respect and teamwork.



“Working for a local bank with a 155-year legacy is special. We are stewards of a company built on personal relationships, integrity, and community service. We are also continuously evolving to secure a bright future for generations to come. Your commitment shines through in the personal service you deliver, and I am grateful for each of you.”

— Daniel J. Schrider, Chair, President & CEO