

Environmental, Social, & Governance Report

2021

Member
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**Enterprise
Bank**

Environmental, Social, & Governance Report



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A message from our CEO

Dear Stakeholders,

On March 14, 1988, a group of twenty-five local professionals took the first step in establishing a new type of community bank. Led by George L. Duncan, they recognized a visible need for a locally-owned-and-managed commercial bank, operated with a sense of purpose and committed to the core values of excellence, integrity, teamwork, professionalism, and community.

Rooted within this spirit was the responsibility to practice good corporate citizenship—taking into consideration the sustainability implications of our decisions and seeking to mitigate them; championing socially responsible initiatives, both within the organization and without; and governing through ethical and responsible leadership practices and policies.

From that vision, Enterprise Bank was born.

It is my honor to share Enterprise Bank's inaugural Environmental, Social, and Governance (ESG) Report. In publishing this report, we seek to provide additional transparency into our efforts and operations as a Bank, and to reaffirm our commitment to exemplifying the ideals upon which our Bank was founded: helping to create new businesses, meaningful jobs, vibrant and prosperous communities, and a dynamic work environment in which employees grow and prosper. It is my sincere hope that this report further validates the trust you've placed in us, highlights the importance of our core values, and substantiates our dedication to making every community in which we operate a better place to live and work.

Sincerely,

Jack P. Clancy
Chief Executive Officer

Environmental

Enterprise Bank is deeply committed to our local communities, supporting local businesses in their pursuits of success, giving back of our time, resources, and expertise, celebrating diversity, and seeking to foster local growth. Intertwined with that commitment to community is the mission of preserving the environmental resources and wellbeing of the communities we serve, recognizing the impact of our carbon footprint, and holding ourselves accountable for responsibly managing it.

At Enterprise Bank, we embrace responsible practices to promote energy conservation and environmental responsibility, and we are committed to creating an environmentally sustainable future by fully engaging our Enterprise team, vendors, and other stakeholders to practice more sustainable behaviors. We are committed to taking bold actions to reduce greenhouse gas emissions, become carbon neutral in our operations, and support environmental equity. Our responsible business practices and investments are making a measurable impact on reducing our environmental footprint and building more sustainable communities.

In 2021, the challenges presented by the pandemic required us to accelerate our technology-enhancement initiatives and operational digitization efforts. As a result, Enterprise experienced a truly transformative year accompanied by various sustainability improvements.



Growth of Digital Banking

Enterprise Bank has embarked on a digital evolution, seeking to digitalize and modernize operations not only to adapt to meet customer and stakeholder expectations, but also reduce our environmental footprint. Digital banking, which allows customers to manage their finances and banking needs whenever they want and wherever they are, further cemented itself as a core service in 2021 as contactless and socially distant banking alternatives became necessities during the pandemic.

The rise in digital self-service has resulted in fewer customers visiting bank locations, eliminating the associated fossil fuel expenditures and eliminating the paper statements, receipts, and forms that accompany physical visits.

We also saw significant e-statement adoption this year, with 17,808 out of 60,767 total accounts opting for e-statements in 2021 (29.3% adoption rate). With an average estimate of three pages per statement, that is 53,424 pages saved, in addition to 17,808 envelopes conserved.

Digitization of Documents

In 2021, our Bank continued to see the results of replacing paper-based processes with digital processes to reduce paper usage, energy used in printing, and postage—all while reducing the time and effort spent in circulating and signing documents. With online-only mortgage applications, online account opening services, electronic signatures, and employee direct deposit payments, Enterprise Bank reduced our paper consumption by more than 40,000 pages.

Similarly, our online account opening service saved 8,106 pages of paper throughout the year, in large part due to the 387 unique, approved applications submitted online—each one 20 pages long—constituting a total of 7,740 electronic pages submitted.

Furthermore, 100 percent of our team members' wages are paid electronically via direct deposit allocations and 73 percent of the approximately 600 vendors we work with are paid electronically.

Technology Infrastructure

Enterprise Bank has been engaged in ongoing efforts to leverage the cloud to reduce the physical space occupied by our data centers and to reduce the associated power consumption. Enterprise currently houses more than half of its total applications in the cloud and is continuing to accelerate cloud adoption to further streamline operations and improve energy efficiency. In addition, 90 percent of our in-house server environment has been virtualized and is running on consolidated, energy-efficient hardware.

For printing, the Bank uses a comprehensive, carbon-neutral-certified managed print service to support our printers and multifunction printers (MFPs), which print, scan, copy, and fax with a single device, consolidating our equipment and making us more energy efficient throughout our organization. MFPs also minimize the physical space our technology occupies and reduce our deployment times. The devices we've installed possess built-in energy-saving feature, further contributing to sustainability.

883
mortgage applications
electronically submitted

21%
submitted via
a mobile device
79%
submitted via
a computer



In 2021, Enterprise saw
retail online Banking logins
increase by
191,337
over the previous year, a
16.5% increase

Retail mobile
logins also
increased by:
149,079
logins over the
previous year, a
8.2% increase

total accounts opting for e-statements in 2021: **29.3% increase**

Enterprise
purchases
**180kW DC
offtake**
from community
solar projects

In 2020 and 2021,
electricity
consumption was
down as much as
35 percent
from pre-pandemic
levels

Across Enterprise's wider geographic footprint, we've also started participating in various community solar farm projects, allowing us to support solar initiatives constructed around the service area of the Bank. Currently, Enterprise purchases 180kW DC offtake from community solar projects, offsetting our reliance on fossil fuels. Contributing to sustainable energy initiatives, Enterprise also committed \$3,113,246 in lending to sustainability sectors in 2021.

Among our branches, one (South Billerica) currently generates some of its own solar energy, and we have plans to install solar panels across five more of our branches in the coming years. Looking forward, the Bank is in discussions to install solar panels in our downtown offices.

Enterprise also shreds and recycles about 145,000 pounds of paper annually and uses toxin-free cleaners throughout all our buildings.

As a whole, the Bank's electricity consumption in 2020 and 2021 was down as much as 35 percent from previous years, through both facility improvements and reduced facility utilization due to the pandemic.

Electronic Waste Recycling

Enterprise Bank partners with an ISO 14001 certified recycling company to handle electronic waste recycling, compliant with Massachusetts Department of Environmental Protection requirements. The company resells as much old equipment as possible, continuing the lifecycle of each item, and recycle the rest.

Sustainable Facilities Operations

Over the years, our Bank has made various improvements to our facilities that augmented our sustainability. Enterprise's downtown Lowell offices, for instance, constitute roughly 100,000 square feet of operation space dating back to before the 20th century. Adaptive use of these buildings has forgone the carbon cost of constructing new buildings, and the investments we've made in improving the facilities have better optimized their operational energy efficiency.

In recent years, we've replaced the roofs and added more efficient insulation, cutting wintertime energy consumption associated with heating. We've also replaced the windows in our buildings with better-insulating alternatives, consolidated the data center to reduce its size and energy consumption, and replaced our old data center AC units with more environmentally friendly, modern alternatives. Additionally, we've installed high-efficiency electric heat pumps in our mortgage center and loan operations center in our downtown Lowell campus, as well as in our Salem, NH and North Andover, MA branches.

ESG in Wealth Management

Enterprise Wealth Management (EWM) offers globally diversified investment solutions. Our investment process involves evaluating thousands of managers in more than a dozen asset categories. Many of the managers we include in our client portfolios have their own ESG guidelines for selecting specific securities for their funds. The development of ESG scoring methods, such as those now widely available to Morningstar subscribers, has provided EWM with this important additional topic for discussion with potential managers. As the industry moves towards consistency and standardization, we will consider adding ESG metrics to our quantitative scoring process as standards become more widely adopted.

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throughout the year

387 unique, approved applications
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Enterprise shreds and recycles about **145,000 lbs. of paper annually**

Social

Enterprise Bank is a true community bank, leading with a deep sense of mission and purpose. We dedicate ourselves to strengthening the economic fabric in our communities through our commitment to our customers' successes, product innovation, and community service. As both a core value of our organization and an intrinsic part of our identity, 'community' is something we consistently strive to foster and support.

We recognize that our accomplishments and success are only possible because of our people—our most valuable assets. Our team was 558 members strong at the end of 2021, each one an embodiment of our Bank's values and a representative of our Enterprise's high-quality customer service. We take great care to provide a workplace environment that makes all our team members feel welcome, safe, valued, and respected. Our Bank promotes professional development and career advancement opportunities year-round, enabling our team members to become their best selves so that they can continue to provide our customers with the best experience and service possible.



Bank Culture

We take tremendous pride in our people-first culture that has consistently earned us a spot on the *Boston Globe's* Top Places to Work rankings. In 2021, Enterprise Bank's 10th consecutive year recognized, we placed 4th out of 40 large-sized companies recognized on the *Boston Globe's* list. In the past, we have placed as the #1 Top Place to Work within our category in multiple years.

Our bank culture is built around Enterprise's core values: Excellence, Integrity, Teamwork, Professionalism, and Community. These values, established at the Bank's inception, are instilled in each Enterprise banker from the day they join us. They are values we strive to exemplify daily and are fundamental to how we operate.

Our Bank hosts several employee appreciation events throughout the year, giving back to the team members that are the cornerstone of our success. We continually express our profound gratitude for our team members' contributions through numerous team events, as well as showing our appreciation each holiday season by giving our team members a selection of gifts from which to choose.

Prior to the pandemic, we hosted an annual Celebration of Success—a large-scale, themed event recognizing and celebrating the individuals throughout the bank that had gone above and beyond to contribute to our successes that year. Unfortunately, social distancing requirements prevented the Bank from holding this event in 2021.

At Enterprise, team members can recognize each other for exceptional contributions through our R.A.V.E. (Recognizing and Valuing Everyone) program. Team members can submit "RAVES" via our company intranet to publicly shout out the outstanding work of fellow Enterprise bankers. At the end of each quarter, a raffle-style drawing is held to select three RAVE-ers and three RAVE-ees to receive prizes. Our team submitted 699 RAVES in 2021, recognizing fellow team members.

Enterprise Bank's Core Values

Excellence
Integrity
Teamwork
Professionalism
Community



Team members can submit "RAVES" via our company intranet to publicly shout out the outstanding work of fellow Enterprise bankers.

**Our team submitted
699 RAVES
in 2021 recognizing fellow team members.**

Diversity, Equity, & Inclusion

At Enterprise Bank, we encourage and foster a culture of diversity, equity, and inclusion, where everyone feels valued and respected. Creating vibrant, prosperous communities is a fundamental part of our founding purpose, and we support broad-based community and economic development projects encompassing the culturally diverse interests of our markets.

When George Duncan founded Enterprise Bank in 1988, he chose downtown Lowell for its headquarters, in part, because of the city's diverse population. Over the years, we have mindfully and intentionally expanded to the gateway cities of Lawrence, Nashua, Leominster, and Fitchburg, gaining and learning so much through our immersion in the cultures, diversity, ideals, and traditions of these cities.

Here at Enterprise, we have taken various steps to promote a more diverse, equitable, and inclusive environment. We founded an Inclusion Council to further embrace and promote awareness of personal identity in the workplace, identify equity gaps and help resolve them, and to strengthen everyone's sense of belonging within our Enterprise family. The Inclusion Council is responsible for various initiatives throughout the year. In 2021, they published five editions of the DEI e-Zine, a digital magazine produced by Enterprise designed to educate readers about different cultures and backgrounds and to give our Enterprise team members an opportunity to share their own stories. The team helped plan and organize various educational sessions, panels, and trainings, including "Microaggressions De-coded: A Conversation," a Women's History Month panel, an inclusive business network focus group, and a microaggressions presentation in our Supervisory/Managerial Education Program (SMEP).

Our Diversity Equity and Inclusion Value Statement:

At Enterprise Bank, people and relationships come first. We encourage and foster a culture of diversity, equity, and inclusion, where everyone feels valued and respected. We are committed to a caring workplace that recognizes the importance of making a meaningful, positive difference in the lives of our team members, customers, and communities.



In 2021, The Series on Racial Equity and Inclusion hosted three thought-provoking presentations for the community

Diversity and Inclusion in the Workplace

Make Room for Us: Changing the Racial Composition and Culture of Your Board

Courageous Conversations

Our Employee Resource Groups:



PRIDE C.O.R.P.S.
(Community of Respecting People's Sexuality & Gender)



Multicultural Alliance



Veterans Resource Group



Working Parents Resource Group

The council plays a leadership role in developing and presenting Enterprise's annual "Series on Racial Equity and Inclusion," a community series with the goal of creating a safe space to promote constructive engagement and broaden our perspectives. In collaboration with several community partners, Enterprise has presented an ongoing series of seminars that have been well attended and well received by hundreds of community members, business leaders, and social justice advocates. In 2021, The Series on Racial Equity and Inclusion hosted three thought-provoking presentations for the community: "Diversity and Inclusion in the Workplace," "Make Room for Us: Changing the Racial Composition and Culture of Your Board," and "Courageous Conversations."

The Bank's DEI Manager is responsible for developing the strategy and approach to building effective initiatives, with a goal to further enhance our progress in hiring, mentoring, advancing, and promoting people of color and to strengthen feelings of inclusion and equity.

To help team members with similar backgrounds and experiences connect, and to bring together supportive networks, we've established several Employee Resource Groups (ERG), including the PRIDE C.O.R.P.S. (Community of Respecting People's Sexuality & Gender), founded in 2021, Veterans ERG, Working Parents ERG, and our Multicultural Alliance—a cross-functional team of ambassadors who promote diversity and share ideas to help celebrate our differences while seeking connections through intercultural conversations, awareness, and respect.

At the end of 2021, our Enterprise family was 558 team members strong. Of those members, 382 (68.34%) were women and 114 (20.39%) were black, indigenous, and people of color (BIPOC).

Employee Development

Our Bank recognizes that our team members are our greatest assets and the driving force behind our success. We strive to attract the best talent and to foster their growth and development to pursue their highest potential, continually investing in and supporting the ongoing development of our team members.

In 2021, our Enterprise team logged a combined total of more than 11,000 hours of training and development. This included in-person, virtual, and hybrid trainings as well as seminar, webinar, and conference attendance. Across the Bank, 2,216 team member participations were recorded in the 838 training programs offered within our training platform. Team members also passed a combined 10,288 exams and courses across all training and development activities, including conference, seminar, webinar, and academic program activities.

Managers are encouraged to work with their team members to develop individualized career development plans and strategies based on our S.O.A.R. framework: Strengths, Opportunities, Aspirations, Results. Enterprise also offers a mentorship program to help guide team members and contribute to their holistic personal and professional development.

In 2021, the Bank distributed \$61,438 in tuition reimbursement to team members continuing their formal higher education.

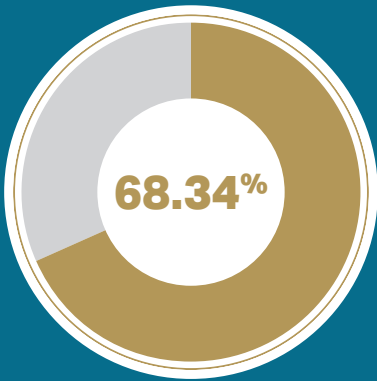
Employee Benefits

Enterprise strives to provide team members with a range of compensation and reward programs that are meaningful and important to them. The benefits we offer seek to demonstrate the value we see in our team and our appreciation for them, incentivizing them to employ their full potential in the service of our customers and the Bank and to position them to share in the benefits of the results they help produce.

We offer compensation opportunities that are competitive with our geographic markets. New team members starting in entry level roles begin at above minimum wage, and we have increased starting pay each year. We will continue to increase our salary grade structure annually to remain ahead of the market.

Enterprise offers unique programs to give team members a greater vested interest in the Bank's success. We offer an Equity Ownership Participation Program to qualifying team members, enabling them to share in the success of the Bank more directly. Our Variable Compensation Incentive Plan incentivizes qualifying team members to perform well by rewarding them with a monetary payout if the Bank achieves short and long term income, growth and asset quality based goals.

Our Enterprise family was
558 team members strong



382 are women – 68.34%



114 are black, indigenous, and people of color (BIPOC) – 20.39%

Additionally, our Bank has an Employee Referral Program where team members who refer qualified candidates for open positions receive a monetary reward if their referrals receive an offer and accept the position. In 2021, 79 employee referrals were submitted; 15 resulted in hires and employee referral payouts being awarded.

As part of our “total rewards,” we offer employees several insurance plan options—including three health insurance plans, two dental insurance plans, and two vision insurance plans—and 401(k) matches. In 2021, the Bank matched \$1,694,801 in team member contributions. Enterprise bankers also have access to our Employee Assistance Program (EAP)—which offers help to team members and/or their household members who may be experiencing problems related to life changes and/or personal stress—paternity leave, tuition reimbursement, short- and long-term disability, and flexible work arrangements.



Enterprise team members logged
a combined total of more than

11,000 Hours
of training and development



Across our team, a total of

2,216 participants
completed
838 training programs
within our BVS training platform



They also passed a combined
10,288 exams & courses
across all training and development
activities, including conference, seminar,
webinar, and academic program activities



\$61,438 in
tuition reimbursement
was dispersed

Through our flexible work arrangements, we show our team members that we care about their circumstances and demonstrate our understanding that they have changing needs. Flexible arrangements enable our team members to effectively manage responsibilities at home, with family, at work, and in the community; manage personal life transitions, such as the birth of a child or caregiving of an elderly parent; feel good about being part of a supportive organization that values and trusts them to have more control over when work gets done; and recommend the company to friends, family, and potential customers, acknowledging support for work-life fit and building on our reputation as a “Best Place to Work.”

Engagement, Wellbeing, & Wellness

Enterprise Bank's wellness program encourages a healthy lifestyle and supports team members' physical, financial, spiritual, and emotional wellbeing through ongoing holistic education programs, interactive initiatives, and social support. In 2021, we offered a variety of virtual education sessions, on-demand recordings, and digital resources as team members and their families adjusted to the pandemic environment. We also provide monetary rewards for completing certain wellness activities, incentivizing team members in their wellness journeys.

Workplace Safety

Enterprise Bank is committed to ensuring a professional, safe work environment that is free from all forms of sexual and sex-based harassment, and from harassment on the basis of race, color, religion, gender, national origin, age, sexual orientation, genetic information, gender identity, disability, marital status, veteran status, or other legally protected status. Our team receives annual ethics and conduct training and our Employee Handbook—which all team members are required to review annually—outlines our Harassment Policy and our Whistleblower and Non-Retaliation Policy.

Additionally, the Bank offers safety and security training, including CPR, active shooter response, personal defense, and first aid.

We employ electronic access controls, video surveillance, security guards, and alarms throughout our entire organization to provide the safest environment possible for our team members and customers. The Bank also currently employs 34 team members who have received CPR/AED (automated external defibrillator) certifications through a Bank-sponsored program. These team members work across 20 branch locations and our downtown Lowell offices. All Bank locations have AED units for use in the event of an emergency.

CRA, Volunteering, & Charitable Donations

One of Enterprise Bank's five core values is "community." Our Bank and our team members continually seek ways to support local businesses in their pursuits of success, and we welcome opportunities to share of our time, expertise, and resources for the betterment of our communities. We are deeply invested in supporting local community organizations in their missions and we stand beside them in service. Team members interested in giving back in their communities are encouraged to do so, and the Bank has a policy of allowing team members to fulfill their community involvement commitments during regular work hours as long as it does not interfere with the fulfillment of work responsibilities.

In total, 168 Enterprise team members serve on 347 boards and committees for organizations within our communities—with a majority serving on multiple boards and committees. Enterprise Bank's commitment to community has earned it perennial recognition as one of the top companies in the state in volunteerism.

Our Bank and team made a combined \$1,279,699 in charitable donations in 2021. A report is available upon request.

Enterprise Bank also offers a United Way payroll deduction program. In 2021, \$19,971 was deducted from employee payrolls and donated to United Way.

In 2021, the Non-Profit Collaborative held four well-attended virtual seminars open to members of the community and non-profit organizations: "Using Data to Advance Equity in our Community During the Pandemic and Moving Forward," "Getting Started with Grant Writing," "Stress to Strength: Leveraging Your Experience, Identity, and Values to Build Resilience and Gain Hope," and "The Time is Now to UnErase LGBTQ History."

Non-Profit Collaborative

Understanding that strong and successful non-profit organizations are vital to the well-being of any region, and that the needs of these organizations go far beyond charitable giving, Enterprise Bank founded the Non-Profit CollaborativeSM in 2008 to provide critically needed programs, resources, and guidance to non-profits in our region. This includes an ongoing, free Educational Seminar Series, networking and relationship-building opportunities, and board and volunteer support to benefit these valuable organizations that have such a profound impact on our communities.

Accessible Lending

As a true community bank, Enterprise is committed to providing products and services that cater to the various kinds of consumers in our service area, allowing us to help create more vibrant and prosperous communities. In 2021, about 15 percent of the loans we originated were for low- and moderate-income (LMI) borrowers, amounting to more than \$22.5 million. In addition, about 26.2 percent of the loans we originated in 2021 were for LMI census tracts, totaling more than \$123 million.

Among the mortgage programs we offer are Veteran Affairs (VA) loans—a \$0-down mortgage option issued by private lenders and partially backed or guaranteed by the Department of Veteran Affairs; Federal Housing Administration (FHA) loans—government-insured home mortgages that require a lower minimum down payment and lower credit score requirements than many conventional loans; and the Massachusetts Housing Partnership (MHP) ONE Mortgage program—a Massachusetts first-time homebuyer program that breaks down barriers and creates more homeownership opportunities for low- and moderate-income homebuyers.

Additionally, we made 1,652 loans to small businesses within our service area in 2021, amounting to \$236,054,000. Throughout the year, we also originated 23 community development loans totaling \$40,863,119, funding development related to affordable housing, LMI community services, and economic development, revitalization, and stabilization.

Financial Literacy

Financial literacy training and resources are some of the important services we contribute to our communities. In 2021, we hosted 29 financial literacy sessions, four banking career exploration workshops—with application and interviewing tips—and a banking career panel. Members of our team also guest-starred on "Dollars and Sense," a local cable program that provides education on financial threats, scams, and preventative measures for individuals and businesses. In addition, Enterprise partnered with federal and state agencies



Entry level
roles begin at
**above
minimum wage**



**starting pay
increases**
each year as
minimum wage
has increased



**79 employee
referrals**
were submitted
to our Employee
Referral Program

We offer employees:

**3 health insurance plans • 2 dental insurance plans • 2 vision insurance plans
401(k) matches • Paternity leave • Employee Assistance Program • Tuition reimbursement
Short & long-term disability • Flexible work arrangements**

to host a series of educational presentations on elder financial abuse and met with local civic organizations to talk about fraud prevention. To continue reaching our communities during the pandemic, we also hosted various educational webinars.

Our EnterpriseBanking.com website also features a “Learning” section that contains a large, free repository of financial literacy articles on a wide range of timely and relevant topics, authored by our team members and published regularly.

Awards & Recognitions

Thanks to the incredible work of our team members, our Enterprise was recognized in several ways in 2021.

Our people-first culture is reflected in Enterprise Bank’s recognition by the *Boston Globe* for ten consecutive years as one of The Top Places to Work in Massachusetts. In 2021, we were ranked #4 among 40 large-sized companies in this category, and more than once we have been named the #1 place to work.

Energage, the company that conducts employee surveys and compiles statewide rankings of The Top Places to Work, ranked Enterprise Bank #2 among employers with 500-999 employees in the National Top Workplaces USA 2021 rankings. Enterprise was also ranked #1 in their Top Leaders category and #2 in their Clued-in Leaders category.

Of the many recognitions we have earned over the past 33 years, none are more important than these because they come directly from our team members and their experiences

at Enterprise. In a year of unprecedented challenges, our team showed incredible resilience, adaptability, and commitment to each other, to our customers, and to the communities we serve. Through months of evolving pandemic protocols and workplace standards, our team also maintained the high level of customer service and professionalism that we are known for, demonstrating that in times of difficulty, our Enterprise rises to the occasion for our customers.

The Boston Globe
TOP PLACES TO WORK
2012-2021

In 2021, our 10th consecutive year
being recognized, we ranked
4th out of 40
large-sized companies on
the Boston Globe’s list.

We were once again recognized for our philanthropy and community leadership at *Boston Business Journal*’s virtual “Corporate Citizenship Summit.” We ranked #51 in a listing of the largest corporate donors in Massachusetts and #3 for the highest average hours in community service, with an average of 35.96 hours of community service per employee. We are

immensely proud of our Enterprise team and grateful for all they do each day in the communities where we work and live.

In 2001, we were also once again named the State of New Hampshire's SBA 504 Lender of the Year by the Granite State Development Corporation (GSDC) in recognition of our issuing more SBA 504 loans in New Hampshire through GSDC than any other lender in the state. Enterprise Bank has earned this prestigious honor from GSDC for several years in a row. Enterprise was also named the Veteran Lender of the Year by the State of New Hampshire Business Finance Authority in recognition of the financing assistance our Bank provided to a veteran-owned craft brewery located in Merrimack, NH.

Leadership Development & Succession

Our Bank is always looking towards the future needs of our organization, our communities, and our team members. Seeking to ensure seamless operations, we constantly look to develop and attract talent to prepare for leadership succession. By employing a mix of external talent for fresh perspectives and the development of internal talent to foster leaders with a deep understanding of the Bank and its history, we ensure that the Bank is always prepared for the next phase in its lifecycle. During our spring and fall promotion periods in 2021, Enterprise celebrated 29 officer promotions and saw 69 open positions filled by internal talent.

Our Bank identifies team members internally who exhibit potential as future leaders and invites them to participate in development series designed to augment their skills and prepare them for leadership roles. In 2021, Enterprise had 11 team members graduate from our Leadership Education Program and eight team members graduate from our Supervisory/Managerial Education Program. Additionally, leaders and future leaders at the Bank are given opportunities externally for development. These team members will often continue their education, with the Bank's support, by participating in certificate courses at local universities or by seeking coaching opportunities with partners outside the Bank.



Governance

The sound, effective governance of our executive leadership team and our Board of Directors guide our organization in providing long-term value for our stakeholders, customers, and communities. Bank leadership's breadth and depth of expertise, and our uncompromising commitment to our core values of excellence, integrity, teamwork, professionalism, and community, are instrumental to our continued success, growth, and position as an industry leader. By managing organization-wide goals, strategies, and oversight, our leadership sets the Bank's collective direction. They are responsible for managing risk, data security, and privacy to protect the interests of our team members, customers, stakeholders, and organization and to insulate them from the actions of bad actors.



Board Operations & Independence

The growth and success of Enterprise Bank is a reflection in large part of the direction, guidance, and oversight set by our strong, independent Board of Directors. Strong leadership and sound corporate governance are essential to the long-term success of any organization, and Enterprise simply would not be who we are today without their tireless dedication, resiliency, genuine humanity, and—above all else—their spirit.

The Board members of Enterprise Bancorp, Inc. and Enterprise Bank are accomplished leaders from diverse backgrounds, bringing unique perspectives, skills, and experience necessary to drive our continued success and make us a stronger financial institution and community leader. Fiercely dedicated and committed to the Bank's core values, vision, and principles, our Board operates from a true purpose-driven spirit and serve with honesty, integrity, and character.

Our Board of Directors consists of 19 members and is divided into three classes, with one class of directors standing for election each year. Of our 19 directors, 16 are independent (84.2%), with George L. Duncan, our founder, serving as the Executive Chairman of the Board. James F. Conway, an independent director, is the Lead Director of the Board. He is responsible for chairing any executive sessions held by the Board.

To assist in guiding and overseeing our strategic decision-making and initiatives, the Board operates several committees. The Board's Strategic Planning Committee develops and tracks the progress of the annual strategic plan—our roadmap of major Bank-wide initiatives for the year. Our independent Internal Audit department, led by Charles

W. Wolf, SVP & Internal Audit Director, reports directly to the Audit Committee of the Board of Directors. The Audit, Corporate Governance/Nominating, and Compensation and Human Resources committees consist solely of independent directors. These committees meet regularly and report updates to the Board to help guide our Bank's strategic direction.

The Board holds a minimum of two executive sessions each year that consist solely of independent directors. Each committee of the board is required to hold a minimum of one executive session each year.

The Management and the Board of Enterprise Bank are acutely focused on driving and overseeing our environmental, social, and governance (ESG) efforts.

Board Diversity & Expertise

We strive to maintain a Board comprised of directors of various backgrounds, perspectives, and areas of expertise. The average age of our directors is 66.7 years old, and the average tenure of the members is 14.6 years. Of our 20 directors, 6 are women (30 %) and one is of Asian descent.

Various directors bring financial expertise to the Board. Carol Reid is designated as the Audit Committee Financial Expert (SEC designation), and another three Board members—James Conway, Michael Putziger, and Nickolas Stavropoulos—are designated as financial experts as defined by NASDAQ.

All Board members possess long track records of professional ethics, integrity, and responsibility. They share our Bank's values and are committed to helping us pursue the interests of our shareholders and clients.

Board Committees at EB in 2021



Executive

Strategic Planning

Audit

Loan

Enterprise Wealth Management

Compensation & Human Resources

Corporate Governance/Nominating

Technology & Information Security (TISC)

Code of Business Conduct & Ethics

The Board maintains a set of corporate governance guidelines that outline the role, functions, activities, and qualifications of the Enterprise Bank Board of Directors. All directors and team members are also required to annually acknowledge our Code of Business Conduct and Ethics which outlines the values and standards of conduct that Enterprise bankers are expected to adhere to. These documents can be found on the Investor Relations section of our website at EnterpriseBanking.com. In addition, board members are required to participate in annual ethics training.

Risk Management, Data and Cyber Security, & Privacy

At Enterprise Bank, nothing is more important to us than the safety and security of our customers, who trust us to keep their money and data safe and secure, as well as keep them informed of how to safeguard their assets and information. We earn that confidence and trust every day through our commitment to identifying and mitigating potential risks to our business and to our customers.

We are committed to a strong risk management culture and risk governance process, supported by ongoing employee education, training, and testing. The Board of Directors is responsible for the overall risk management of the Bank, with each committee responsible for a key area of risks, overseeing our robust information security program and policies focused on cybersecurity, encryption, and protection of customer data privacy. The Chief Risk Officer reports to the Board twice annually on key risks and the adequacy of management's risk management program.

Through open communication and training, all employees are responsible for adhering to best practices in risk, information privacy, and cybersecurity.

Our organization's technology environment is scanned on a regular basis to identify potentially suspicious devices or known vulnerabilities. We employ third-party experts to periodically test the Bank's environment and evaluate our protection against external threats. Additionally, automated systems and third parties monitor our system daily to identify any suspicious activity or access. Our Bank has had no breaches of customer data over the past year.

Enterprise has implemented layered security approaches for all electronic delivery channels to detect, prevent and respond to rising cybersecurity risks. Management utilizes a combination of third-party information security assessments, key technologies, and ongoing internal and external evaluations to provide a level of protection of non-public

personal information, to continually monitor and attempt to safeguard information on its operating systems, in cloud-based solutions, and those of third-party service providers, and to quickly detect attacks. Enterprise also utilizes firewall technology, multi-factor authentication, complex password construction, and a combination of software and third-party monitoring to detect and prevent intrusion, and cybersecurity threats, guard against unauthorized access, and continuously identify and prevent computer viruses on the Bank's information solutions.

Enterprise Bank has a third-party risk management program designed to enable management to determine what risk, if any, a particular vendor and indirect vendors or subcontractors, exposes the Bank to, and to rate and mitigate that risk by properly performing initial and ongoing due diligence when selecting or maintaining relationships with third-party service providers and their subcontractors, for both on-premise, cloud-based, and third-party hosted technology solutions.

The Bank's Disaster Recovery and Business Continuity Program provides the information and procedures required to enable a rapid recovery from an occurrence that would disable the Bank's operations for an extended period. The plans establish responsibility for assessing a disruption of business, contains alternative strategies for the continuance of critical business functions during an emergency, assigns responsibility for restoring services, and sets priorities and timelines by which critical services will be restored.

Enterprise has developed an Incident Response Plan to guide our actions in responding to real and suspected information-security incidents. Disclosure controls and procedures compel us to make appropriate, accurate, and timely disclosures of material events and incidents to both customers and regulatory authorities. The reaction to an incident aims to reduce potential damage and loss and to protect and restore confidence through timely communication and the restoration of normal operating conditions for computers, services, and information.

The Technology and Information Security Committee of the Board oversees the technology and cybersecurity strategies and their alignment with business strategies. The Committee also oversees the effectiveness of the information security program and monitors the results of third-party testing and risk assessments and responses to breaches of customer data, among other project management, cybersecurity, and business continuity oversight functions.

Enterprise maintains a set of internal controls over financial reporting designed to provide reasonable assurance to management that the information required to be disclosed in reports it files with or furnishes to the SEC is prepared and

fairly presented based on properly recorded, processed, and summarized information. The Audit Committee of the Board oversees the effectiveness of the internal controls over financial reporting.

Engaging Shareholders & Customers

We have a longstanding commitment to transparency in communicating our financial performance and strategic objectives to our community, customers, and current and potential shareholders. Our methods of communicating with our stakeholders and community include quarterly earnings releases, annual reports, and publicly available filings with the U.S. Securities and Exchange Commission, all of which are available to the public on our investor relations section of our website.

About this Report

This report speaks as of end of year 2021. All information, data, opinions, and activities contained in this report are subject to change without notice. The metrics and quantitative data contained in this report are not based on generally accepted accounting principles and have not been audited. Neither Enterprise Bancorp, Inc. nor any of its affiliates assume any responsibility or obligation to update or revise any such information, data, opinions, or activities, without regard to whether any of these are affected by the results of new information, future events, or otherwise. This report does not, and is not intended to, create any relationship, rights, or obligations, legal or otherwise, and you should not rely upon this report to do so.

The inclusion of information and data in this report is not an indication that such information or data, or the subject matter of such information or data, is material to Enterprise Bancorp, Inc. for purposes of applicable securities laws or otherwise. The principles used to determine whether to include information or data in this report do not correspond to the principles of materiality contained in the federal securities laws, the concept of materiality used to determine whether disclosures are required to be made in filings with the U.S. Securities and Exchange Commission, or principles applicable to the inclusion of information in financial statements.

Our goals regarding our corporate responsibility and ESG initiatives are aspirations. They are not guarantees or promises that we will meet all or any of our goals. Any statistics and metrics regarding our corporate responsibility and ESG activities are estimates and may be based on assumptions or developing standards.

No part of this report constitutes, or shall be taken to constitute, an offer to sell, or the solicitation of an offer to buy, any securities of the Corporation or any other entity. This report is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, tax considerations, or financial situation or needs of any investor. This report and the information contained in this report are not incorporated by reference into, and are not a part of any offer to sell or solicitation of an offer to buy any securities of, the Corporation pursuant to any offering registered under, or any offering exempt from, the Securities Act of 1933. All investors should consider such factors in consultation with financial, tax, and legal advisors of their choosing when deciding if an investment is appropriate.

All data present as of December 31, 2021



EB Enterprise Bank

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