

**EB** Enterprise Bank

Member FDIC

# Environmental, Social, and Governance Report



2022



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## MESSAGE FROM OUR CEO

Dear Stakeholders,

On January 3, 1989, Enterprise Bank opened its doors at 222 Merrimack Street in Lowell, MA with 21 employees and a vision to help create successful businesses, opportunities, wealth, and vibrant, prosperous communities. Led by George L. Duncan, that early group set out to grow 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.

Since those early days, Enterprise Bank has always sought to operate ethically and responsibly, hiring team members who share our values and appointing leaders with the character, integrity, and vision to guide us forward without losing sight of who we are as an organization.

It is my honor to share Enterprise Bank's annual Environmental, Social, and Governance (ESG) Report for 2022. This report aims to provide transparency and accountability to our stakeholders on the ESG issues and initiatives we've worked to address since our inception, and particularly, over the past year. Recognizing that our bank can have a significant impact on the environment, our community, and our stakeholders, we are mindful and deliberate in responsibly managing our operations.

It is my hope that this report will offer meaningful transparency into our efforts to manage and mitigate environmental risk, improve social conditions, and uphold good governance practices. By engaging in and reporting our ESG practices, we hope to validate the trust you place in us, identify areas for improvement, and create long-term value as we pursue 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.

Thank you for your continued support and partnership in our journey towards a more sustainable, responsible, and accountable future.

Sincerely,

Jack P. Clancy  
Chief Executive Officer





# environmental

Enterprise Bank embraces sustainable practices and operations. We are committed to preserving the environmental wellbeing of the communities we serve, to remaining mindful of our carbon footprint, and to holding ourselves accountable for responsibly managing it. By engaging our Enterprise team, vendors, and other stakeholders to practice more sustainable behaviors, we seek to reduce our greenhouse gas emissions and become carbon neutral in our operations. Through the implementation of sustainable practices, initiatives, and policies, we seek to improve outcomes for our bank, our stakeholders, our customers, and the environment we all share.

We are proud to report that our responsible business practices and investments over the years have helped make a measurable impact on reducing our environmental footprint and on building a more sustainable community and future.





## GROWTH OF DIGITAL BANKING

Enterprise Bank has embarked on a digital evolution, seeking to digitize and modernize operations, not only to adapt to evolving customer and stakeholder expectations, but also to reduce our environmental footprint. Digital banking, which allows customers to manage their finances and banking needs whenever they want and wherever they are, has firmly cemented itself as a core banking service—one that customers now expect rather than simply want.

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

We also saw significant e-statement adoption this year, with 19,524 out of 62,192 total accounts opting for e-statements in 2022 (31.4% adoption rate)—a 1,716 (2.1%) over the previous year increase. The majority of our customers receive monthly e-statements that, on average, are three pages long each. By adopting e-statements, our customers are saving an estimated 702,864 pages and 234,288 envelopes annually.

### Retail online banking logins

2021	2022
<b>1,354,162 logins</b>	<b>1,387,911 logins</b>

### Retail mobile banking logins

2021	2022
<b>1,969,236 logins</b>	<b>2,018,248 logins</b>

## DIGITIZATION OF DOCUMENTS

In 2022, our Bank continued to see the results of replacing paper-based processes with digital processes, helping eliminate 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, the Bank has taken great strides in sustainability and paper conservation.

Enterprise continued to utilize DocuSign—an industry-leading electronic signature solution—in 2022, enabling our bank to digitize various paper-based signature processes to create a more sustainable and convenient client experience with a quicker turnaround time. As a result, the Bank’s branch team members were able to send 772 “electronic envelopes” containing 4,604 digital pages in 2022 in lieu of their paper counterparts. Across other areas of the Bank, 1,810 electronic envelopes were sent in 2022. Assuming the envelopes contained an average of four pages of materials each, DocuSign produced an estimated 7,240 pages in paper savings across other areas of the Bank in 2022 alongside the 1,810 paper envelopes saved.

### In 2022, 841 mortgage applications were submitted to the Bank

373 were HELOC applications and all applications were submitted electronically

**75.7%** submitted via computer

**24.3%** submitted via mobile device

Both residential mortgage and HELOC applications are 16 pages long, with residential mortgage applications containing 62 pages of disclosures each and HELOC applications containing 29 pages of disclosures each. The electronic submissions of these applications and disclosures in 2022 translated into an estimated 53,289 pages of paper saved.





Similarly, our online account opening service saved 7,364 pages of paper throughout the year, in large part due to the 319 unique, approved applications submitted online—each one containing 20 pages of disclosures—constituting a total of 6,380 electronic pages submitted.

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

### TECHNOLOGY INFRASTRUCTURE

Enterprise Bank is engaged in ongoing efforts to leverage the cloud to reduce the physical space occupied by our data centers as well as their associated power consumption. Currently, more than half of Enterprise's total applications are housed in the cloud, and we continue to accelerate cloud adoption as we further streamline operations and improve energy efficiency. In addition, more than 90 percent of our in-house server environment has been virtualized and is running on consolidated, energy-efficient hardware. We are running 23 percent fewer virtual servers than we were a year ago, resulting in reduced processing load and, therefore, reduced overall power consumption.

Our bank also utilizes Zoom Meetings—accessible from any location with access to our virtual network or through any Bank-managed iPhone—for cloud-based meetings. The adoption of Zoom Meetings has greatly decreased team members' need to travel and has freed up resources onsite, such as conference room availability. From February through December of 2022, Bank employees held 2,189 meetings, involving 10,795 total participants, for a cumulative 462,082 meeting minutes. The Bank also hosted 28 webinars during that time—involving 1,215 participants—for a total of 68,734 webinar minutes.

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 have installed possess built-in energy-saving features, support double-sided printing, and use recycled toner cartridges for more sustainable operation.

Enterprise will use  
**100% sustainable supply of electrical power going forward,**  
Including solar, hydropower, and wind.



Enterprise plans to install electronic vehicle **charging stations** in our downtown Lowell campus.

Enterprise committed **\$9,954,384** in lending to sustainability sectors in 2022.



Enterprise plans to **install solar panels** across four more of our branches.



**“The mission of environmental sustainability does not have a concrete, defined end point—there is no magic number to tell you that you’ve achieved it. Instead, sustainability is the never-ending pursuit of more eco-friendly operations and impacts. At Enterprise, we remain devoted to this ongoing process as, year after year, we commit new efforts and resources toward deploying increasingly sustainable technologies, policies, and practices for the sake of our team members, customers, and communities.”**

Luke Bouchard  
Facilities Director







## 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 recycles the rest, removing all company ID tags and software and protecting clients' proprietary information through DoD-compliant data wiping or physical drive destruction.

## SUSTAINABLE FACILITIES OPERATIONS

Over the years, our Bank has made various improvements to our facilities that have 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 have made in improving the facilities have better optimized their operational energy efficiency.

In recent years, we have replaced the roofs and added more efficient insulation, cutting wintertime energy consumption associated with heating. We have also replaced the windows in our buildings with better-insulating alternatives, consolidated our data center to reduce its size and energy consumption, and replaced our old data center AC units with more environmentally friendly and modern alternatives. Additionally, we opened our Londonderry, NH branch in 2022, making it our third high-efficiency branch alongside our North Andover, MA and Salem, NH locations. Our high-efficiency branches all feature high-efficiency electric heat pumps—they consume no on-site delivered fossil fuels, instead running off of electric power which we offset with sustainable, green energy. Our mortgage center and loan operations center in our downtown Lowell campus are also equipped with a high-efficiency heat pump.

In 2022, Enterprise Bank also replaced the boiler system serving two of its downtown Lowell buildings with a 97% AFUE (Annual Fuel Utilization Efficiency), high-efficiency system. The installation reduced the gas consumption required to heat our buildings by 30 percent and involved the removal of twelve 24/7 circulation pumps, reducing the Bank's electricity consumption. Additionally, we signed a contract in 2022 that will provide Enterprise with a 100 percent sustainable supply of electrical power going forward. In other words, the electricity consumed by Enterprise Bank in 2023 and beyond will be completely offset by sustainable power supplies, such as solar, hydropower, and wind.

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 180 kW DC offtake from community solar projects, offsetting our reliance on fossil fuels. Contributing to sustainable energy initiatives, Enterprise also committed \$9,954,384 in lending to sustainability sectors in 2022, more than tripling the amount lent to these 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 four more of our branches in 2023 and into 2024. Looking forward, the Bank is in discussions to install solar panels in our downtown offices as well.

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

## 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.

**“All of our Wealth clients have their own unique investment needs, goals, and circumstances. We work closely with each client to create a personalized plan tailored to the specific client needs. When a client is interested in ESG investing, our team helps incorporate that goal into the overall plan in a way that considers all of the client's priorities and objectives.”**

**Mary Beth Haut**  
Managing Director, Wealth Management







# 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 588 members strong at the end of 2022—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 and that offers them professional development opportunities that help them grow and succeed. We are also devoted to promoting financial inclusion, providing underserved communities access to financial services, supporting local businesses and entrepreneurship, and offering financial literacy and diversity training to the members of our community.



## 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 2022, Enterprise Bank's 11th consecutive year recognized, we placed 7th out of 45 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. For instance, we hold an annual Celebrating Our Team event—a week-long celebration during which we express our profound gratitude for our team members' contributions—and show our appreciation each holiday season by giving our team members a selection of gifts from which to choose.

At Enterprise, team members can also 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 739 RAVES in 2022 recognizing fellow team members.

## Enterprise Bank's Core Values



## 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. Our Bank-wide DEI Program Steering Committee—formerly known as the Inclusion Council—was founded to further embrace and promote awareness of personal identity in the workplace, to identify equity gaps and help resolve them, and to strengthen everyone's sense of belonging within our Enterprise family. In pursuit of these goals, the committee focused on six main workstreams in 2022: (1) Board Diversity, (2) Community Outreach and Relationships, (3) Customer Experience and Products and Services, (4) Inclusive Marketing Efforts, (5) Supplier Diversity, and (6) Talent Management and Culture of Inclusion and Belonging. They also published four editions of Enterprise's DEI e-Zine, a digital magazine intended to educate readers about different cultures and backgrounds and to give our team members an opportunity to share their own stories. In addition, the team helped plan and organize various educational sessions, panels, and trainings in 2022, including "Holocaust Remembrance Day," "The Link Between DEI and Wellness," "Indigenous People Day: Leaving No One Behind," and "Caribbean-American Heritage Month."

**"Enterprise Bank is an organization built on relationships—team member relationships, client relationships, and community relationships. Our bank takes pride in fostering a culture of empathy, respect, and inclusion that influences every aspect of the business. It begins at the top with leadership and reflects values we all share and exemplify each day, both at work and in our personal lives."**

**Mona Tyree**  
Senior Cash Management  
Operations Supervisor



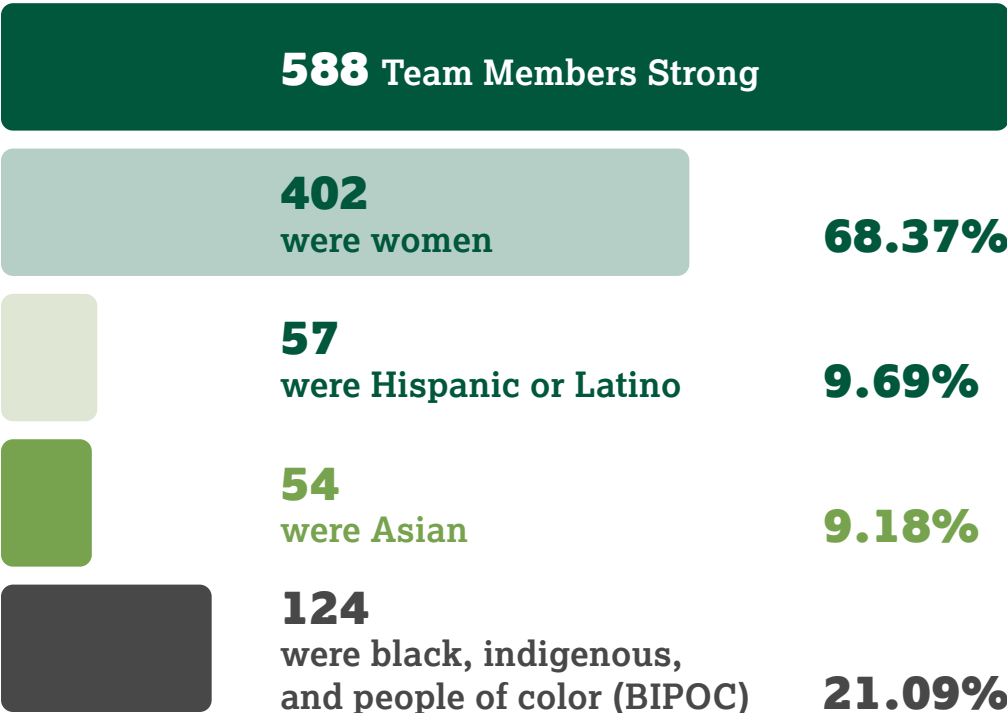


The committee also plays a leadership role in developing and presenting Enterprise’s annual Series on Racial Equity and Inclusion, a community series with the goal of creating a safe space to promote constructive engagement and broaden our perspectives. In collaboration with several community partners, 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 2022, The Series on Racial Equity and Inclusion hosted three thought-provoking presentations for the community: “Leveling the Playing Field: Interrupting Patterns of Power and Privilege,” “Are We There Yet? How to Define and Develop an Inclusive Internal Organizational Culture That is Relevant, Responsive, and Respected in a World of Change,” and “I’m a Good Person! Isn’t That Enough?”

The Bank’s DEI Manager is responsible for developing the strategy and approach to building effective initiatives with the goal of further enhancing our progress in hiring, mentoring, advancing, and promoting people of color and strengthening 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), 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 2022, our Enterprise family was**



In 2022, our PRIDE C.O.R.P.S. hosted a Listening Session—an open and safe space for team members to talk through LGBTQ+ issues—and celebrated Spirit Day. They also partnered with Enterprise Bank’s Non-Profit CollaborativeSM and Diversity@ Workplace Consulting Group to present “Gender Identity and Expressions in the Workplace” to the community. Our Veterans ERG hosted a Veterans Appreciation Lunch while our Working Parents ERG held a social outing at Mack’s Apples and presented two webinars: “No Such Thing as a Perfect Parent” and “Kids and Meals – It Doesn’t Have to be a Battleground.” Lastly, our Multicultural Alliance hosted a Hispanic Heritage Month celebration and a multicultural holiday celebration while our DEI Program Steering Committee began offering a new webinar in partnership with Autism Speaks: “Working with Neurodivergent Colleagues.”

To help foster a more understanding and respectful work environment, we continued to offer our “Creating & Managing a Respectful Workplace” workshop to supervisors and managers in 2022 as well as our online “Enterprise Bank Working Together for a Respectful Workplace” course to all team members.

**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 2022, our Enterprise team logged a combined total of 15,892 hours of training and development—a nearly 5,000-hour increase over 2021. This included in-person, virtual, and hybrid trainings as well as seminar, webinar, and conference attendance. Across the Bank, 2,853 team member participations—over 600 more than the previous year—were recorded in the 621 training programs we offered within our employee training platform. Team members also passed a combined 14,509 exams and courses across all training and development activities, including conference, seminar, webinar, and academic program activities.

“The employee benefits that Enterprise Bank offers are carefully chosen to provide real value to team members. Thanks to their tuition reimbursement program, I had the opportunity to earn my M.B.A. while working here, enabling me to grow as a professional and granting me skills, knowledge, and a degree that I will carry with me for the rest of my life.”

**Kate O’Neil**  
Marketing & Social Media Lead





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 2022, the Bank distributed \$70,501 in tuition reimbursement to team members continuing their formal higher education—a more than \$9,000 increase over 2021.

## 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.

One incentive program we offer is a Spot Bonus Award Program, which delivers immediate and visible recognition and reward to team members who demonstrate exceptional performance. Spot bonuses are awarded by managers and supervisors, at their discretion, to team members who provide valuable and outstanding contributions beyond their day-to-day responsibilities while exemplifying team spirit and service excellence. The program was launched in October of 2021, and 252 spot bonuses totaling \$54,500 were awarded in 2022.

74 employee referrals were submitted which resulted in

**12 new hires**

Enterprise awarded

**252 Spot Bonuses** in 2022

Enterprise awarded a total of

**\$54,500** in bonus disbursements

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 a predetermined net income goal in a given year.

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 2022, 74 employee referrals were submitted which resulted in 12 new hires.

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 2022, the Bank matched \$1,871,851.32 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.

Through our flexible work arrangements, we show our team members that we care about their circumstances and that we understand 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 2022, we offered a variety of virtual education sessions, on-demand recordings, and digital resources to team members. 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, team members receive annual safety and security training, including CPR, active shooter response, personal defense, and first aid training.

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, 185 Enterprise team members serve on 325 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.

The Bank's most recent CRA (Community Reinvestment Act) ratings—based on performance tests in lending, investment, and service—were "High Satisfactory" in both lending and investment. In service, we received the highest possible rating—"Outstanding"—reflecting our longstanding commitments to our community and social responsibility.

Enterprise Bank also offers a United Way payroll deduction program. In 2022, \$19,807.60 was deducted from employee payrolls and donated to United Way.

Our Bank and team made a combined  
**\$1,390,666**

in charitable donations in 2022.

Our Bank received the highest possible  
Community Reinvestment Act rating in service:

**Outstanding**

Our Community Reinvestment Act ratings:

**High Satisfactory**

in both lending and investment.

**"Giving back to and supporting our local communities is in the Bank's DNA. From day one, Enterprise has been committed to helping its communities grow and prosper, and as we've grown as an organization, so too has our impact on our communities. By giving back, we put actions behind the words of our stated bank purpose: "To make a positive difference in the lives of the individuals, businesses, and communities we so passionately serve. To play an active role in making every community in which we operate a better place to live and work."**

**Alison Burns**  
Community Relations  
Customer Experience Officer





## 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 Collaborative<sup>SM</sup> 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.

In 2022, the Non-Profit Collaborative held five well-attended virtual seminars open to members of the community and non-profit organizations: "Philanthropy Bootcamp," "Asking in the Age of Zoom: How to Ask for a Major Gift Online," "Discover the Art of Engagement," "Gender Identity & Expression at the Workplace," and "How Can We Be Strategic When We Are So Busy Firefighting?"

## FINANCIAL LITERACY

Financial literacy training and resources are some of the important services we provide to our communities. In 2022, we continued our Banking Career Exploration series for students and community members. It included three banking career panels, three financial education workshops, and two applying and interviewing tips sessions. Members of our team also presented an educational workshop at the Billerica Senior Center and on a local TV program. The workshop discussed scams targeting elder populations, ways to identify fraud, and tips on how to protect yourself against these financial threats.

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.

**24.8%**

**totaling more than \$191 million**

of the loans we originated in 2022 were for LMI census tracts.

**19.7%**

**amounting to more than \$26.5 million**

of the loans we originated were for low- and moderate-income (LMI) borrowers **roughly 5% more than in 2021**

## 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.

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; 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; and HEAT loans—loans offered through Mass Save<sup>®</sup> and participating lenders, providing interest-free financing opportunities for energy-efficient home upgrades like heating and water heating equipment, insulation, central air conditioning, heat pumps, ENERGY STAR<sup>®</sup> qualified replacement windows, and more.

Additionally, we originated 606 CRA small business reportable loans (loans \$1mill and less) in 2022 totaling \$135,703,000. Of those loans, 435 were within our assessment area. Throughout the year, we submitted 31 community development loans for consideration totaling \$115,088,259, funding development related to affordable housing, LMI community services, and economic development, revitalization, and stabilization.

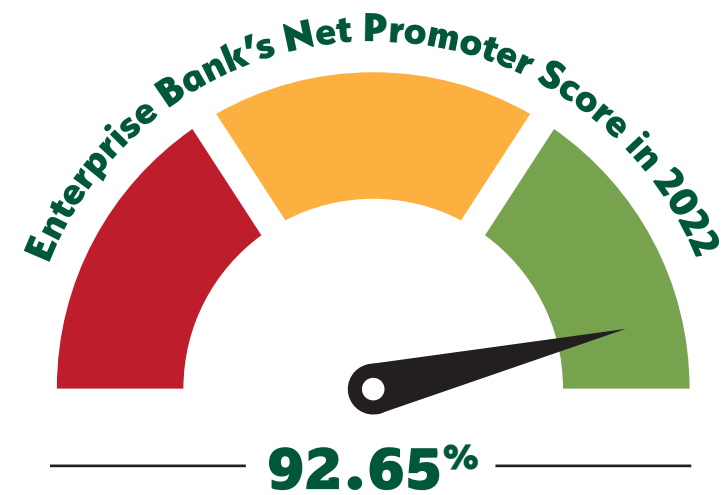
## FEEDBACK & IMPROVEMENT

Soliciting feedback is an integral way in which we evaluate our Bank's performance and operations, helping to identify what we are doing well and areas for improvement.

To ensure that we continue delivering the exceptional service that Enterprise is known for, and to validate that we are offering the products, services, and experience that our customers desire, our Bank has an ongoing program called 'Voice of the Customer' that invites customers to share their honest feedback with us. For feedback on specific transactions (i.e., Mortgage, New Accounts, Commercial Lending), we reach out to customers who have recently had an experience with our team members, by email, and ask them to participate in a survey.

Our Customer Experience Department reviews all results daily, looks for recurring themes and trends, and then works with the respective areas by sharing the feedback and working with them to create a better experience for the future. Similarly, managers work with their team members to reinforce exceptional service by celebrating the positive feedback from customers and by coaching team members through identified opportunities for improvement.





Another feedback and evaluation tool that we leverage is Net Promoter Score, a metric measured by many organizations across multiple industries that helps companies track and understand their customer or member advocacy. Enterprise Bank's Net Promoter Score in 2022 was 92.65%.

In addition to external feedback, Enterprise also seeks feedback internally from our team members. Each year, the Bank conducts an internal experience survey. Team members are asked to participate in a survey that asks them about their experiences working with departments they regularly interact with. The results are shared with the respective department managers so that they can work with their teams to address areas that need improvement.

## AWARDS & RECOGNITIONS

Thanks to the incredible work of our team members, our Enterprise was recognized in several ways in 2022.

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 2022, we were ranked #7 among 45 large-sized companies in this category, and more than once we have been named the #1 place to work.

Engage, the company that conducts employee surveys and compiles statewide rankings of The Top Places to Work, recognized Enterprise Bank with awards for Employee Well-Being, Employee Appreciation, Professional Development, and ranked us as the #9 Top Workplace for companies with 500-999 employees.

Of the many recognitions we have earned over the past 34 years, none are more important than these because they come directly from our team members and their experiences at Enterprise. They are a testament to our team members' resilience, adaptability, and commitment to each other, to our customers, and to the communities we serve. Day after day, year after year, our team maintains the same high level of customer service and professionalism that our customers have come to expect from us, regardless of the circumstances.

We were once again recognized for our philanthropy and community leadership at Boston Business Journal's virtual "Corporate Citizenship Summit." We ranked 43rd in a listing of the largest corporate donors in Massachusetts and #2 for the highest average hours in community service, with an average of 36.18 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 2022, 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.

## 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 2022, Enterprise celebrated 46 promotions and saw 42 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 2022, Enterprise had 12 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.





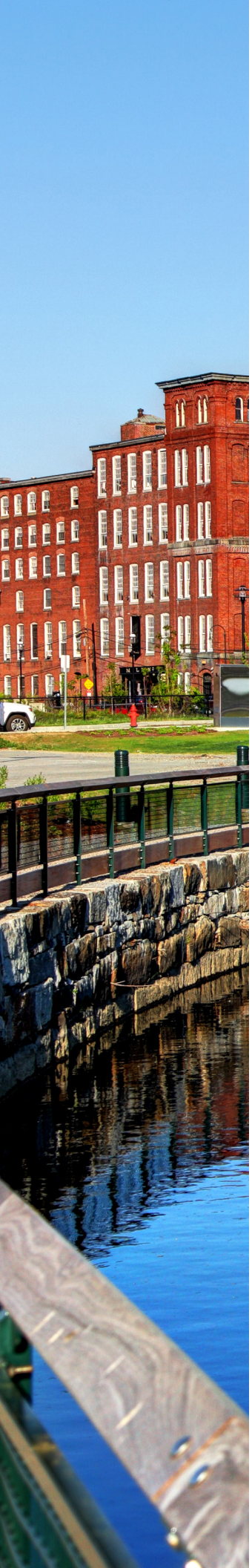
# governance

Enterprise Bank is committed to upholding the highest standards of corporate governance and ethical conduct. Through the sound, effective governance and guidance of our executive leadership team and our Board of Directors, our bank provides 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.

At Enterprise, we have established clear policies and procedures that govern our operations, and we regularly review and update them to ensure that they align with best practices and regulatory requirements. We have also fostered a strong culture of ethical practices that is embedded throughout our entire organization. We encourage all employees to act with integrity—one of our core values—and to report any concerns or violations they encounter.

Through the proven leadership of our leadership team and Board of Directors, and through the governance practices we meticulously draft, implement, and regularly revisit, we seek to continue operating a sustainable and responsible business that is worthy of the trust and confidence our stakeholders place in us, now and in the future.





## 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, compassion, 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 experiences 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 serves 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 and James F. Conway III, an independent director, serving as 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 intently 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 16.4 years. Of our 19 directors, 6 are women (31.6%).

Various directors bring financial expertise to the Board. Carol Reid and Nickolas Stavropoulos are designated as the Audit Committee Financial Experts (SEC designation), and another two Board members—James Conway and Michael Putziger, qualify 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.

## 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](http://EnterpriseBanking.com). In addition, board members are required to participate in annual ethics training.

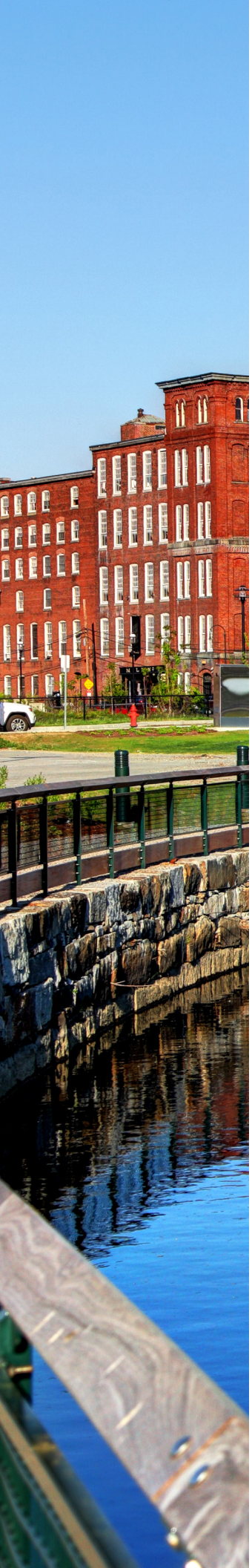
## RISK MANAGEMENT, DATA AND CYBER SECURITY, & PRIVACY

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 employ 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 customers' 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.





The Bank has a documented system of internal controls built on the Committee of Sponsoring Organizations' (COSO) 2013 framework that is compliant with the Federal Deposit Insurance Corporation Improvement Act (FDICIA). Our information security approach follows the National Institute of Standards and Technology (NIST) Framework. Consideration is also given to best practices found in the SANS Top 20 IT Controls. The Technology and Information Security Committee oversees our technology operations and strategy, along with management's handling of cyber- and information-security threats.

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 protect 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. The Bank 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 uses a third-party risk management program that enables management to determine what risk—if any—vendors, indirect vendors, or subcontractors expose the Bank to. The program rates and mitigates risk by performing initial and ongoing due diligence when selecting or maintaining these types of relationships for our 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, risk assessments, and the response to breaches of customer data. Other project management, cybersecurity, and business continuity oversight functions also fall within the purview of the Committee.

We also maintain a set of internal controls over financial reporting designed to provide reasonable assurance to management that the information we are required to disclose in reports we file with, or furnish 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 community and stakeholder communication methods 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 the investor relations section of our website.

**“At Enterprise Bank, we employ comprehensive risk management and cybersecurity strategies. Due to the ever-evolving landscape of threats and risks, we regularly review and update our policies and procedures, and we instill in every team member the importance of taking ownership and responsibility for protecting customers' data. We are so grateful for the trust our stakeholders put in us, and we make it a top priority to honor that trust by responsibly protecting their personal information and financial assets.”**

**Meaghan Lally-McGurl**  
**Chief Information Security Officer**







## ABOUT THIS REPORT

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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.

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