



Catalyst for Change

2020 Corporate Social Responsibility Report



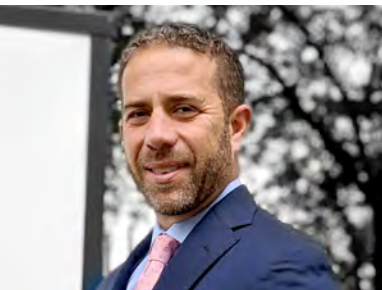
We believe success starts

with our communities. For over 90 years, we've been committed to serving, supporting and strengthening our communities through economic inclusion, workforce and community development, investment in local nonprofits and a conscious commitment to our local partners.

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2030



Ira Robbins
President & CEO



Bernadette M. Mueller
Chief Corporate Social
Responsibility-CRA Officer

Our Message

2020 was a year unlike any other. A global pandemic, economic turmoil, political division and social and racial injustice -- all challenged us to come together as a society to confront these issues.

For some, it's a year many would like to forget. At Valley, it was a defining moment in our history as we lived up to our purpose and demonstrated the positive impact a bank can have on local communities.

While giving back to the community is always a priority at Valley, the events of the past year have reaffirmed our role and underscored the necessity of this support in a time of crisis.

Helping a community in crisis

When COVID-19 became a global pandemic, we initiated safety measures that prioritized the health and safety of our customers and frontline branch associates, including appointment-only and drive-thru branch access, strict social distancing policies and transitioning non-branch associates to remote working.

COVID-19 served as a catalyst for business transformation. We saw technology become a critical lifeline in all our lives, changing the way we work, learn and connect with customers, community, family and friends. For us, this pandemic

pushed us to further embrace the spirit of innovation by redefining the banking experience for our customers. That meant communicating with our customers like never before and helping them acclimate to an era of digital banking powered by the talents and skills of our people.

When COVID-19 ushered in lockdowns and shuttered small businesses, over 500 Valley associates rolled up our sleeves and worked day and night helping business owners acquire the funding they needed through the Federal Government's Paycheck Protection Program (PPP). As businesses struggled, so did our communities. To support our customers in need, we deferred almost \$450 million in mortgage loans for more than 1,100 customers and over \$100 million in auto loans for more than 5,000 customers.

In 2020, we continued to advance our mission to promote social and economic justice within our communities. Our partnerships with organizations that advocate for social, racial and economic justice allowed Valley to help create a more inclusive community.

We placed an increased emphasis on supporting women- and minority-owned businesses that had been hit especially hard by the resulting economic volatility of this health crisis.

Businesses are a vital force in our nation's economy, and we're invested in helping them recover. Our new Community Lending team focused exclusively on serving the needs of minority-owned businesses with targeted outreach to Black and Latinx businesses throughout our footprint. Additionally, our Women in Business program serves to educate, connect and empower professional women, from entrepreneurs to executives.

Staying true to who we are

In times like these we realize the importance of staying true to our mission of giving people and businesses the power to succeed. We lived up to these words like never before in 2020, committing to a number of important initiatives focused on empowering our customers to achieve their financial goals.

For our consumer and business customers, we're taking an innovative approach to improving the customer experience, fueled by the principles of continuous improvement. We're leveraging technology in new ways to make data-informed decisions to better serve our customers and create a more robust omnichannel banking experience.

For our employees, we're building upon our culture of diversity, equity and inclusion (DEI), to enhance our ability to bring new ideas to the table, raise important questions, innovate our practices and products, and gain new insights about the world around us. We're designing our DEI Governance Model and Framework to support Valley's programs, processes, systems and culture, giving our associates opportunities to grow to their full capacity and potential.

For all our stakeholders, we will reaffirm our role as a responsible corporate citizen by incorporating to Environmental, Social and Governance (ESG) considerations in aspects of our business, from lending, investments, policies and principles, to corporate philanthropy and sustainability, we expect these ESG factors will support our long-term strategy, strengthen our risk management framework and add sustainable value to our organization.

2020 – A catalyst for change

As our communities begin to recover from the hardships they faced this past year, we will continue to live up to the meaning behind our words to build stronger communities. In this report, you'll learn more about how we're supporting the four key pillars we've identified as being critical to this goal:

- Promoting affordable homes
- Inspiring innovation and entrepreneurship
- Stimulating economic and community development
- Living our commitment to impactful, local leadership

We invite you to read this report to learn more and join us as we lead the way forward together.



Ira Robbins



Bernadette M. Mueller



About Valley

As a regional bank with approximately \$41 billion in assets and more than 200 locations in New Jersey, New York, Florida and Alabama, Valley has been there for our communities every step of the way. Our Community Strategy is aligned with our 2020 strategic pillars: Relentless Customer Focus, Deepening Relationships, and Strengthening Our Communities, as well as our Corporate Social Responsibility Pillars: Promoting Affordable Homes, Inspiring Innovation and Entrepreneurship, Stimulating Economic and Community Development, and Living Our Commitment to Impactful Local Leadership.



FOUNDED
IN 1927



\$41 BILLION
IN ASSETS



LOANS OVER
\$32 BILLION



DEPOSITS OVER
\$31 BILLION

(VLY)

VALLEY NATIONAL
BANCORP
NASDAQ



3,000+ EMPLOYEES



200+ BRANCHES
ACROSS 4 STATES



230+ ATMS

Community Investment Highlights

Strengthening and supporting the communities we serve is at the core of our Corporate Social Responsibility (CSR) commitment. We do so through neighborhood-based strategies, products targeted to low-to-moderate-income (LMI) families and small businesses and metrics to benchmark our annual impact on the community.



At Valley, we're passionate about improving the social, economic and environmental conditions in the communities where we operate. We're proud to have been recognized by these organizations for our work.

Recognition and Achievements



OFFICE OF THE COMPTROLLER OF THE CURRENCY
Outstanding CRA Rating



AMERICAN BANKERS ASSOCIATION COMMUNITY COMMITMENT FOUNDATION AWARD
Lake Martin Innovation Center- Community and Economic Development Award



TRAINING MAGAZINE
Training Magazine's Top 125 Training Awards (Learning & Development)



WAYUP
Top 100 Internship Program



NJBANKERS COMMUNITY SERVICE AWARD



COMMERCE AND INDUSTRY ASSOCIATION OF NEW JERSEY and COMMERCE MAGAZINE
Companies that Care Award



SSGA GENDER DIVERSITY "SHE" INDEX
Valley is proudly ranked in the SSGA Gender Diversity Index, Recognized with the Silver award.



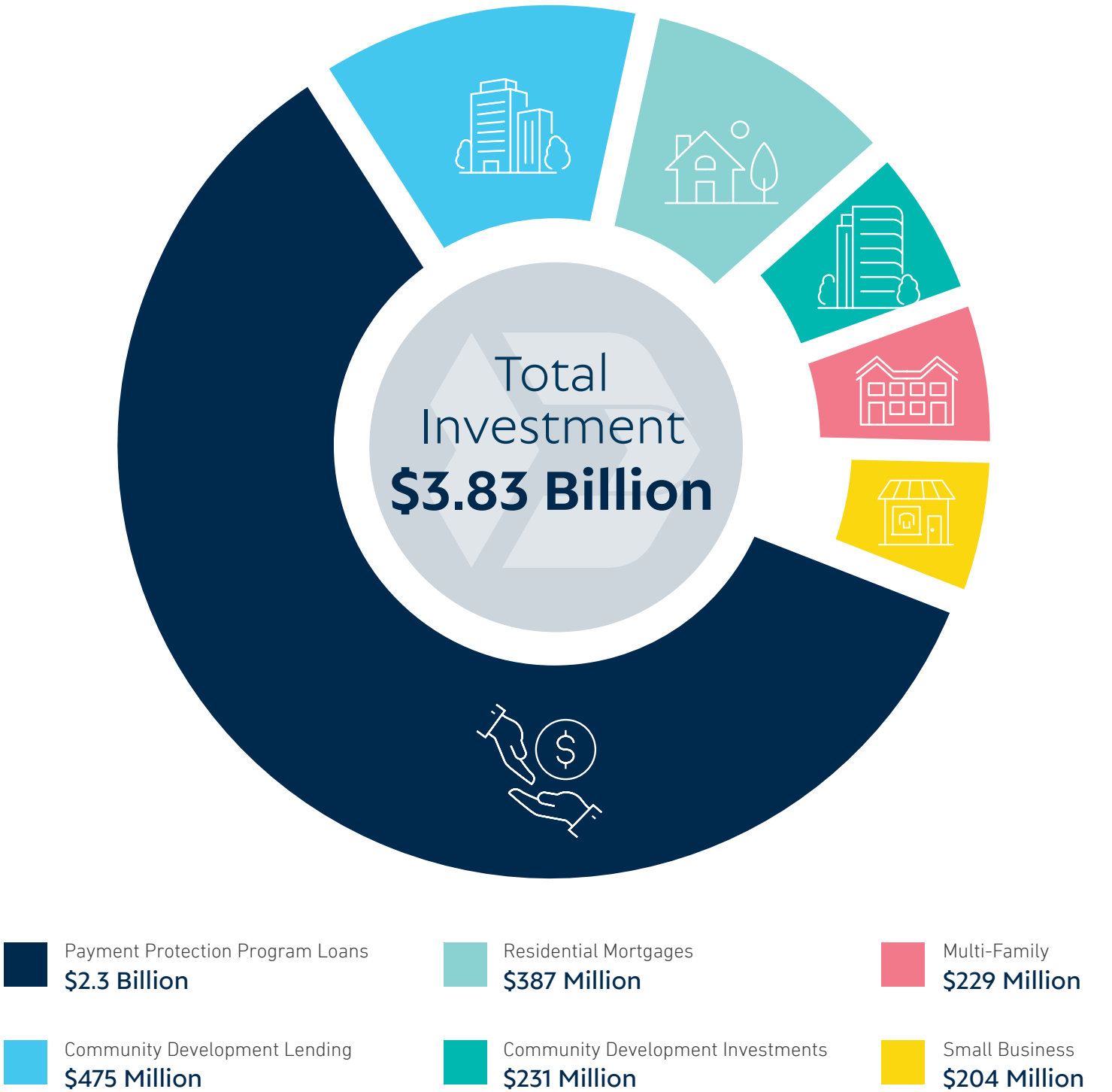
U.S. SMALL BUSINESS ADMINISTRATION
Valley was named the top SBA 504 lender in South Florida, for the second year in a row along with the 2020 U.S. Small Business Administration's South Florida District Third Party Lending – Most Loan Dollars Award.



S&P GLOBAL MARKET INTELLIGENCE
Recognized Valley as one of the top 20 performing banks in the country that reported more than \$1 billion in PPP loans funded.

Investment In Our Community

Helping clients and communities thrive is at the core of our CSR commitment. See how we invested in our community in 2020.



Represents Valley's Community Reinvestment Act Commitment to support LMI individuals, neighborhoods and businesses and our involvement in the Payment Protection Program.

The year of COVID-19: Catalyst for change

2020 will be remembered as the year of COVID-19. This unprecedented health crisis took an incredible emotional, physical and economic toll on Valley's communities. As it swept across the country, we quickly pivoted to support the well-being and safety of our associates, customers and stakeholders. Valley provided critical support in these areas by leveraging our local relationships and finding creative and innovative solutions for employee engagement. Our community response strategy focused on the most critical needs: food insecurity, shelter, health and small businesses.



Learn how we helped make an impact

Valley offered a new, innovative Community Pledge CD designed to give back to organizations in our communities that have been affected by the COVID-19 pandemic. The CD offered a competitive rate, and we matched the interest with a direct donation to community organizations that were providing relief in support of the COVID-19 pandemic.



Over **\$2.1 million** donated across **264 Organizations** through Valley's entire footprint.

Here are more ways we responded our communities during a time of crisis:



\$575,000 allocated across **14** food banks and food pantries throughout our geographic footprint.



\$2.5MM+ invested in COVID-related funds, such as the New Jersey Community Capital's Garden State Relief Program.



Facilitated **over \$200,000** in Federal Home Loan Bank New York Small Business Recovery Program grant funds allocated **to over 20 nonprofits.**

Community Pledge CD Program



New Jersey

Homeless Solutions

Homeless Solutions has been helping the homeless and working poor since 1983. Valley was proud to support Homeless Solutions through our **Community Pledge CD program**. The organization used the donation to expand their winter warming center and allow for social distancing in the colder months.



Florida

Tampa Bay Wave Rising Tide Relief Fund

"In the unprecedented economic downturn caused by COVID shutdowns, Tampa Bay Wave is excited to partner with Valley Bank to offer meaningful support to its more than 100-member technology startups, saving jobs thanks to the microloans offered through the Rising Tide Relief Fund."



New York

New Ground

New Ground provides social work and education services to help families and veterans in Long Island break the cycle of poverty and homelessness. During the pandemic, the challenges faced by Long Island's homeless, veterans and families increased exponentially. The funds donated through Valley's Community Pledge CD Program helped ensure that program participants could survive and overcome this devastating time.



Alabama

Junior League of Birmingham (JLB)

"JLB volunteers are driven, passionate women who are committed to our vision of 'Building Partnerships for a Better Birmingham'. When we combine the passion of our volunteers with financial support, like from Valley Bank, we are making double the impact in the community."



Millions of lives changed.

Our communities need help now more than ever. That's why we're offering you our 6-Month Community Pledge CD with a .50% APY. To help our neighborhoods recover we will match 100% of the interest you earn and donate it back into the community. So far, we've raised \$2.1 million for local nonprofits.

And with your help, we can do so much more.

Learn more about the organizations we're supporting and apply at valley.com/pledged.

6-Month Community Pledge CD: Minimum balance of \$200 is required to open and earn the 0.50% Annual Percentage Yield (APY) which is effective and accurate as of 7/16/2020. Maximum deposit of \$1,000,000. A penalty may be imposed for early withdrawal. Fees could reduce earnings on the account. A offers may be withdrawn or modified without prior notice and rates are subject to change. A funds deposited must be from another financial institution. © 2020 Valley National Bank. Member FDIC. Equal Opportunity Lender. All Rights Reserved. VLV00398

"We're so grateful for the support Valley has provided—it's comforting to know that we have colleagues in the community committed to helping people get back on their feet."

— Homeless Solutions



Helping communities get back on their feet

How we're supporting COVID-19 vaccination efforts

Valley contributed to the **Tampa General Hospital Foundation** and to **Hackensack Meridian Health** to continue supporting the general well-being of our employees, customers and communities and help defray significant expenses related to the storage and administration of the COVID-19 vaccine. In addition, our contributions also supported staffing and operational efforts necessary to distribute and administer the vaccine to health care workers and the community.

Our Pandemic Journey

COVID-19 Assistance for Associates

In February 2020, Valley assembled a pandemic team to prepare most associates for a remote work environment. By the end of March, close to 90% of our non-customer facing staff were working from home or alternate disaster recovery centers. This allowed us to spread out associates in various departments for everyone's personal safety while keeping operations running. During this time, resources were regularly provided to keep our associates informed including corporate communications and town hall meetings led by Valley executives.

By the middle of March, logs to track COVID-19 cases allowed us to comply with state and local regulations and provide accurate contact tracing. The executive team offered 80 hours of company paid leave for COVID-19 related impacts as well as 24 hours of leave to deal with COVID-19 related child/elder care issues. In April, the **Bank issued a \$1,000 COVID-19 assistance payment bonus to full-time hourly associates and \$500 to part-time hourly associates** in recognition of their commitment to continuing operations and servicing our customers during the pandemic. A similar \$250 payment was granted in December for their dedication and the hard work that has been shown over this trying year.

Branch Operations

To ensure the safety of our associates and customers, a comprehensive analysis of Valley's Retail network was performed to provide drive-thru and appointment as the only access to each office. Protective equipment and movement protocols were put in place as staff began reentering the worksite. As our associates were welcomed back, we provided them with required training and personal protective equipment (PPE). Finally, the Service Now Safe Workplace application was implemented for location tracking, daily certification of good health and case management.

"We're proud to take a leading role in providing the critical support needed to distribute and administer the COVID-19 vaccine."

— Ira Robbins
Valley Bank,
President and CEO

When businesses needed our help, we were ready

In the midst of a global health crisis, Valley Bank – and banks everywhere – were called upon to help get much needed federal aid in the hands of small business owners through the SBA's Paycheck Protection Program (PPP). Bankers worked tirelessly, day and night, to stand up an innovative web application portal and help businessowners complete and submit applications. We saw first-hand how impactful that funding was in keeping businesses open and people employed.

Here are some highlights of how businesses and nonprofits continued critical operations and kept staff employed by leveraging PPP funding.

Cargo King, Inc.

As a result of COVID-19, Cargo King, Inc. noticed the demand for local trucking dropped significantly. The owners stopped taking paychecks for themselves as soon as business dropped, pulled several of their trucks from the fleet to save on insurance costs and sent some of their employees home with just 50% of their salary.

When the SBA's Paycheck Protection Program opened up, they applied for a PPP loan and worked closely with their Valley team through the entire process.

With PPP funds, they were able to bring the employees they sent home back up to full salaries and afford rent and utilities for their business.

Van Dyk Health Care

With several generations of family ownership, originally centered around skilled nursing, Van Dyk Health Care's continuum of care has evolved into assisted living, home health care and adult day care for seniors battling Alzheimer's and dementia. Their customers know that a family-owned care provider like Van Dyk makes all the difference. As the pandemic spread across New Jersey, the team remained focused on proactive safety measures on behalf of its staff and the seniors they serve. When the SBA's Paycheck Protection Program opened for funding, Van Dyk turned to Valley for help.

The PPP funds not only helped keep staff employed, but also provided them with, hazard pay bonuses and overtime pay.

Family Connections

Family Connections of New Jersey helps people and families overcome hardships, such as trauma, mental illness, addiction, domestic violence and child abuse so that the communities they serve can thrive. When the pandemic hit, it severely impacted the business's ability to help people. So, it was crucial for Family Connections to receive funding when the SBA's Paycheck Protection Program opened.

"These PPP funds have enabled us to keep operations and programs running while being able to pay our staff" Family Connections.

2020 PPP HIGHLIGHTS



~13,000
businesses assisted



Over **\$2.3 BILLION**
in Paycheck Protection
Program loans funded



170,000+
jobs saved

We stepped up to help
our communities during
a time of crisis.

**In fact, S&P Global Market
Intelligence identified Valley
as one of the top 20 banks in
PPP loans funded.**



A Purpose-Driven, Holistic Approach

We believe good corporate governance practices that foster diversity and inclusion, environmental stewardship, innovation and social and economic equity will promote sustainability for our stakeholders today and in the future.

Environmental, Social and Governance (ESG) Council

Building on our Corporate Social Responsibility foundation and corporate vision, **Valley established an Environmental, Social and Governance (ESG) Council in 2020** to further develop our approach and framework for the ESG components relevant to Valley in all areas of our business.

The Council will help guide us to consider how environmental, social and sustainability issues impact Valley's ability to achieve its long-term strategy while being socially responsible. The Council will determine the scope of Valley's engagement for ESG and assist in establishing appropriate objectives and implement actions to achieve those objectives.

There is no single framework for measuring ESG metrics. While acknowledging the competing standards with different focuses, Valley is focused on the commercial bank standards from the Sustainability Accounting Standards Board and the Task Force on Climate-related Financial Disclosures. These standards provide a focus on sustainability.

Valley continues to focus on sustainable design and integrating environmental products and practices into projects wherever possible.

Sustainable Design

Valley continues to focus on sustainable design and integrating environmental products and practices into projects wherever possible such as upgrading elements such as LED lighting, re-purposed equipment within our own portfolio and recycled furniture by donating to organizations in our local communities.

Sustainable design seeks to not only improve building performance, but also to reduce negative impacts on the environment and on the health and comfort of building occupants. A sustainable design approach includes reducing consumption of non-renewable resources, minimizing waste both pre- and post-construction and creating healthy, productive work environments.



Incorporating Sustainable Design into 2020 Retail Branch Remodels

In 2020, Valley transformed and remodeled five retail branch locations, and many sustainable elements have been incorporated into the new Valley Branch Transformation standards. We continued a partnership with Gensler, a global architecture and design firm for branch transformations. Following the design and product guidelines established in the Valley Branch Transformation standards, the Bank's newer and redesigned retail sites included several sustainable products and design best practices.

The Bank relies on vendor partners to ensure that their intellectual and physical assets are protected throughout their lifecycle. The high volume of Valley's IT assets required not only formal data protection processes, but also environmentally responsible disposal at the end of their use.

Valley also launched our engagement with Wisetek, a global leader in IT Asset Disposition services. Wisetek holds e-Stewards, R2 and WEEELABEX Certifications for global sustainability as well as ISO9001, ISO14001 and OHSAS18001 industry standards. In 2020 alone, Wisetek diverted approximately 22.2 tons (US) of Valley IT assets from landfills.

A Look Ahead

Moving forward we will endeavor to do the following:

- Integrate climate change risks into our risk management system and opportunities into our strategies.
- Begin to measure and monitor our greenhouse gas emissions in facilities and reduce our emissions over time.
- Institutionalize sustainable practices in our real estate portfolio management and space design.
- Engage our associates on environmental sustainability.
- Collaborate with vendors for sustainable environmental products and innovation.

Social Responsibility

As we've navigated this new normal during the pandemic, Valley's commitment to creating shared value for our stakeholders has been as strong as ever. We worked closely with our community partners in order to continuously evaluate their needs. This allowed us to better meet the increased demands for access to capital for small businesses and individuals and support seniors and those struggling with food insecurity by partnering with food banks across our footprint. And through our innovative products and service offerings, we leveraged technology to provide an efficient, safe and convenient digital banking experience for our customers.



Throughout this report, we've highlighted and recognized some of our community partnerships that have made a significant impact on creating stronger, inclusive and better communities.

We've built our organization on strengthening and deepening relationships with our customers and communities. We stay true to our beliefs by being a trusted financial partner, generating innovative ideas and solutions, advocating for local communities and cultivating a collaborative and empowering culture.

Corporate Social Responsibility (CSR) Pillars

Our four pillars are aligned with our strategy and influence our decisions to make an impact on neighborhoods throughout our footprint. Our community-focused initiatives include promoting affordable homes, inspiring innovation and entrepreneurship, stimulating economic and community development, and living our commitment to impactful local leadership.

Affordable Housing

Throughout 2020, our community partnerships have helped us promote resilient neighborhoods with greater access to affordable housing. Our **Journey to Homeownership program** offers monthly workshops to educate customers on the process of owning a home so they can be informed when making homeownership decisions. Through partnerships with organizations like the **Florida Housing Coalition, Federal Home Loan Bank of New York and Association for Neighborhood Housing Development (ANHD)**, Valley furthered our mission of helping low- to moderate-income (LMI) individuals achieve their economic aspirations. And, working with long-time partner **New Jersey Citizen Action** gave us the opportunity to address issues fundamental to economic mobility in financial education and housing.

Inspiring Innovation and Entrepreneurship

At Valley, we believe innovation and entrepreneurship cultivate a culture that



helps advance our ecosystems, promote workforce development, and improve processes and economic inclusion. 2020 was the year we offered virtual **Design Thinking** workshops and innovation challenges to our associates and community partners. These have served to promote creativity in new products and services, as well as create more efficient ways to adapt to the technological trends that have transformed the way we operate. We've worked closely with organizations such as the **Lake Martin Innovation Center** in Alabama and the **Tampa Bay Chamber Minority Business Accelerator program** to support entrepreneurship efforts, workforce development and economic inclusion.

Community Spotlight: Lake Martin Innovation Center

In an effort to drive business growth in the community, **The Alexander City Chamber of Commerce** launched a collaborative space for start-up businesses. This was a challenge in their small city, but a partnership with Valley allowed them to open the Lake Martin Innovation Center, a business incubator, promoting entrepreneurship, workforce development and economic inclusion. Since its opening, it has become the home to the Chamber of Commerce and host to 11 successful

small businesses and 14 co-working individuals, generating a total of more than 50 local jobs.

Recently Valley was nationally recognized by the **American Bankers Association Foundation** for its partnership with the Lake Martin Innovation Center with a 2020 ABA Foundation Community Commitment Award. The award was granted to us for our efforts in collaboration with the Alexander City Chamber of Commerce, **Wildcat Entrepreneur Academy** and **Gateway Education Foundation** to promote entrepreneurship, workforce development and economic inclusion.

Stimulating Economic and Community Development

Small businesses are a vital part of our economy; contributing to their development and success is critical to the sustainability of our communities. In 2020, we remained committed to helping minority- and women-owned businesses. We partnered with organizations such as the **Palm Beach County Black Business Investment Center** who provide financing, technical assistance and resources to Black-owned businesses. We also participated in the **Neighborhood Revitalization Tax Credit (NRTC) Program** which gives the Bank another way to help our communities prosper by investing in nonprofits and revitalization initiatives.

Local Leadership

At Valley, we recognize the business landscape is shifting and there are growing demands from those facing financial hardships and access to healthcare. Our associates took on key leadership roles to support our nonprofit partners in our local communities to make an impact. Our non-profit partners such as the **United Way**, **KidOne Transport** and the **Boys and Girls Clubs** provided much-needed community services

such as access to healthcare, childcare, transportation, financial literacy and mentorship.

Social Impact

Valley furthers its mission to promote social and economic justice through partnerships with organizations such as the **National Community Reinvestment Coalition (NCRC)** and the **Urban League**.

The Bank is an active supporter and participant in NCRC's Just Economy Conference. We leveraged this national platform to communicate with community, policy, government and business leaders who work toward creating a more inclusive economy, free of discrimination and full of opportunity. Several of Valley's community partners and advocacy groups who work tirelessly to promote community growth and capacity, equal opportunity, social and racial and economic justice are members of NCRC, such as **New Jersey Citizen Action**, **Association for Neighborhood and Housing Development**, **Community Reinvestment Alliance of South Florida** and **Building Alabama Reinvestment**.

Through our partnership with the Urban League, Valley associates participated in homeownership workshops and provided advice and expertise to prepare participants on steps needed to purchase a home. During the Payment Protection Program, (PPP), we worked with various Urban League chapters across our footprint to extend the application acceptance process for minority- and woman-owned small businesses, while providing them with technical assistance.

We're committed to providing fair and equal access and widespread availability to our banking products. In 2020, Valley joined **Project REACH (Roundtable for Economic Access and Change)**, a program started by the Office of the Comptroller of the Currency. The program creates economic opportunities for minority communities by bringing together leaders from banking, business, technology and



Valley has invested almost \$5 million in its communities through the NRTC program since its inception.

“During the Big Game this year, we worked with other financial institutions and law enforcement to identify potential suspicious transactions related to human trafficking. We’re proud to be a part of the ongoing fight to end human trafficking.”

— Jennifer Yager, First Senior Vice President, Director, Financial Crimes Compliance

national civil rights organizations to reduce specific barriers that prevent full, equal and fair participation in the nation’s economy.

Community Spotlight: Assisting in the Fight Against Human Trafficking

When the biggest sporting event of the year, 2020’s Big Game, took place in Miami, Florida, human trafficking increased exponentially with an influx of people from all areas. The game was also held in one of the biggest trafficking centers in the country, Miami, Florida.

Valley Bank understood how big a problem this was and took steps to fight human trafficking in all its forms. The Bank joined a consortium consisting of financial institutions, non-governmental organizations and law enforcement agencies tasked with disrupting and dismantling human trafficking networks operating in the Miami Dade area. Leading up to 2020’s Big Game, special attention was paid to suspicious transactions in order to interrupt trafficker cash flow and track down potential traffickers. Valley worked with other financial institutions to identify these suspect dealings and help put a stop to this global issue.

Community Development

Promoting Affordable Housing

Homeownership is a catalyst for building stronger communities. While many banks have pulled back on residential lending during these challenging times, we’ve accelerated our plans to add new products, services and programs in order to better serve our communities.

Through focused outreach initiatives and strategic community partnerships,

we’ve helped thousands of borrowers purchase, refinance or improve their homes. To support these efforts, we created homeownership programs designed specifically for LMI and first-time homebuyers. And, further improving the client experience, we hired associates that mirror the demographics of the diverse communities we serve.

Products & Programs

Valley participates in over 15 federal, state and government-sponsored enterprises that offer access to home mortgages with little or no down-payment required. This broad array of programs provides increased opportunities for home ownership.

Community Outreach and Services

Through partnerships with neighborhood-based nonprofit organizations, Valley promoted innovative solutions that extended our reach and provided greater access to affordable housing options. Some of these highlights include:

Our **Journey to Homeownership** webinar is specially designed for first-time homebuyers. In partnership with nonprofit housing organizations, municipalities and other community partners, these webinars, which are hosted in English and Spanish, provide educational services including the basics of home financing, determining affordability, low down payment options and more.

In 2020, Valley’s participation in the **Homebuyer Dream Program (HDP)**, (formerly the First Home Club) helped over two dozen families realize their dream of homeownership. The HDP provides down payment and closing cost assistance to qualified first-time homebuyers purchasing homes in Federal Home Loan Bank of New York’s territories.

Community Programs

For first time homebuyers:

- The Valley Community Advantage program is designed to facilitate homeownership for LMI families by providing 97% financing without the additional cost of mortgage insurance.
- The Valley Community Plus program is designed for families buying their first home in LMI areas. This program also offers flexible financing terms.

Additional Low Down Payment Mortgage Options from Government Sponsored Organizations for LMI Households and First Time Homebuyers:

- Fannie Mae's HomeReady Loan
- Fannie Mae's HomeStyle Renovation Loan
- Freddie Mac's Home Possible
- Freddie Mac's HomeOne Program
- FHA Loans
- USDA Loans
- VA Loans

State-Sponsored Programs:

- SONYMA Achieving the Dream Program
- SONYMA Low Interest Rate Program
- Florida Housing Finance Corporation Multifamily Mortgage Revenue Bond program
- New Jersey Housing and Mortgage Finance Agency Police and Fireman's Retirement System Mortgage Program



Women in Business

Valley's **Women in Business** program fosters connections between members by hosting social and educational events that provide opportunities for growth, learning and networking.

Program members are driven, motivated, hardworking, inspired and inspiring. Whether they're just starting out, well-established or anywhere in between, Valley's Women in Business Program helps them take their business to the next level.

When the Federal Government's Paycheck Protection Program (PPP) launched in April 2020, we reached out to help women-owned businesses secure funding. This was followed by a series of webinars educating women business owners with PPP loans by

addressing the PPP forgiveness process and other related topics.

Throughout 2020, we launched two video series highlighting our customers. In January the **Women in Business Success Calendar** debuted featuring program members who shared the unique, offbeat secrets to success they didn't learn in business school. Later in the year, Valley declared November "Women in Business Month" and launched our **InspirHER** video series where customers and their bankers sat down for a conversation discussing the lessons and struggles relevant to women in business.

Promoting Small Businesses and Non-profits

Helping to promote small businesses and organizations in our communities extended to our social media platform as well. Valley Bank's **Behind the Sign** feature, highlights our clients' successes in business. We featured businesses such as **Automatic Industries**, the only woman-owned laundry route company in **New York and**

the Ridgewood YMCA, an organization that provides multifaceted programs that enhance individual and family well-being in the communities.

Through our **We See You** feature, we're able to highlight the amazing work being done to help communities thrive. And, during the 2020 holiday season, we put the spotlight on small businesses and local organizations affected by the pandemic with our **Unwrap Local** campaign. Followers were encouraged to gift from local businesses or donate to organizations in need like **STREAM Innovations**, **The Doe Fund** and **Bergen Volunteers**.



Investing In Our Associates

Over the past few years, Valley has shifted from a legacy culture with a hierarchical focus and traditional work processes to cultivating an inclusive and diverse culture where empowered associates and collaboration thrive. Through advances in technology, enhanced communication and strong talent in place, an engaged culture that meets the needs of our employees and customers has emerged.



Talent

Attracting, developing and retaining the most qualified people is crucial to all aspects of Valley's activities, and essential to our long-term strategy.

- Valley's Talent Acquisition team coordinates with our senior business leaders as the business lines evolve and new positions are created to help them meet their strategic business initiatives.
- Through annual talent review and succession planning, we're taking steps to develop and prepare high potential associates to assume meaningful leadership roles within the organization.
- Our three flagship Leadership Development programs for 2020, **Valley Leadership Program, Leaders in Action and Leadership Academy**, graduated associates who were given a solid foundation on key leadership concepts. As a result, many of Valley's top performers excelled and expanded their areas of responsibility.
- A new **Management Matters Program** was rolled out to increase the capability and effectiveness of leaders bankwide.
- Through recognition program efforts, Valley's Talent Management team recognized leaders and colleagues on key service milestones.

We recognize that building an inclusive and high-performance culture requires an engaged workforce, where our employees are motivated. We communicate with our associates in a number of ways to solicit feedback in an ongoing effort to improve Valley's work environment. Each year we review our annual employee survey and use it as a road map to formulate training and engagement programs.

Learning & Development

Keeping Valley employees engaged and outlining a career path for them plays an integral part in the success of the organization. We strive to understand our associates' career aspirations to match development and leadership opportunities. Valley associates have access to a wide range of courses and workshops that are current and relevant to the banking industry, their jobs and careers.

We strive to create innovative learning processes and opportunities that empower our employees to excel in its forward-thinking ideals and solutions. And as a result of our efforts, Valley was recognized as one of the Top 100 L&D programs by *Training Magazine*.

Each year we review our annual employee survey and use it as a road map to formulate training and engagement programs.

Employee Engagement

Caring for our communities

Valley Cares is a strategic initiative that incorporates volunteerism, professional growth and development, community partnerships, philanthropy and engagement. Our mission is to create and support community engagement opportunities for Valley associates that are meaningful, purposeful and align with our community partnerships and strategic goals.

Because of the passion of Valley associates and partners, we've been able to build and grow so many of the initiatives in this report. Valley provides a **Volunteer Time Off (VTO) Program** that offers all regular full-time associates up to two days per calendar year to volunteer as part of the Bank's efforts to support local communities.

We continued to gather volunteer opportunities during 2020 and focused on looking for ways to make a difference in a virtual environment, such as with E-Mentoring for various nonprofits across our communities.



A FEW EXAMPLES OF HOW VALLEY VOLUNTEERS CONTRIBUTED IN 2020:

Valley employees volunteered at **Junior Achievement of Tampa Bay's Finance Park**, an experiential, real-life simulation where students assume randomly assigned family and income scenarios and visit businesses to gather information for their personal financial decision-making. The students utilized banking services, purchased housing, transportation, insurance, furnishings, health care and other expenses, as well as made investment decisions.

Working in Support of Education (W!se) shifted their Financial Literacy program from in-person to virtual seminars. Valley volunteers delivered financial literacy sessions to a group of sophomore students from the **High School of Economics and Finance**.

Valley associates participated in the **Cystic Fibrosis (CF) Virtual Cycle Challenge** to support their mission to cure cystic fibrosis. Associates were challenged to ride 65 miles on a bike in honor of the CF Foundation's 65th anniversary. The Valley Bank Cycling Team took second place in fundraising and had several riders place in the top ten for total mileage over the course of the 15-day challenge.

The Posse Foundation identifies, recruits and trains individuals with extraordinary leadership potential. Posse scholars are from primarily urban areas and underrepresented diverse backgrounds. They receive full tuition scholarships from Posse's partner colleges and universities. Valley associates participated in Dynamic Assessment Program interviews for the Posse Foundation. Volunteers moderated small group sessions and evaluated the students' leadership and academic potential. Posse then carefully chose students to attend the top liberal arts colleges in the country.

Valley partnered with the **United Way of Central Alabama (UWCA)**, an organization that addresses human service problems, economic conditions and is committed to improving the neighborhoods within the area. A variety of workshops were conducted, including the first of many virtual programs to educate individuals on best practices for budgeting and money management in a challenging and uncertain environment.

To date, we've raised over \$1 million in support of the Cure Breast Cancer Foundation in New Jersey, the Moffitt Cancer Center in Florida and other organizations.

Valley is proudly ranked in the SSGA Gender Diversity Index which seeks to provide exposure to US companies that demonstrate greater gender diversity within senior leadership than other firms in their sector.

Valley Goes Pink

Valley Goes Pink's (VGP) twelfth year looked very different than years past. Since associates couldn't gather for a large event, the Bank was able to offer virtual participation for everyone's safety. Dine and donate events offered the opportunity to support of local restaurants and donate to the cause. Associates participated in a virtual 5K and shared stories on why they support VGP and breast cancer awareness.

Valley also hosted a wellness event with Dr. Larry Norton, Medical Oncologist, Medical Director of the **Evelyn H. Lauder Breast Cancer Center at Memorial Sloan Kettering Cancer Center** and Scientific Advisor of the **Cure Breast Cancer Foundation**, who spoke to associates about health and wellness. The discussion format allowed for an open and honest discussion on health.

Diversity, Equity and Inclusion

At Valley, we strongly believe that our associates are our greatest assets. We strive to foster a strong and inclusive culture that is committed to providing quality service to our customers, communities and associates. All associates are encouraged to expand their points of view, be open-minded and to seek to understand individual differences. Valley embraces and values the unique perspective each associate brings to the workplace. A diverse workforce enables the Bank to create an inclusive environment from which collaboration, innovation and teamwork can tangibly influence business results.

In 2020, we hired a Chief Diversity and Inclusion Officer who oversees our continuing efforts to build a diverse and vibrant workforce. **The Valley Associate Resource Group (ARG) program** launched in the third quarter of 2020 with three ARGs: **BELIEVE (Black Employees Leading in Inclusion Excellence Vision and Empowerment)**, **HOLA (Hispanic Organization for Leadership and Advancement)** and **WISE (Women Influencing Success and Empowerment)**.

Our ARGs represent the strength and spirit of Valley by championing an environment where unique and different experiences and perspectives are encouraged and valued. In their short existence, the three ARGs have amassed close to 600 members. Our fourth ARG, **ASIA (the Asian Society for Innovation & Advancement)**, will launch in early 2021.

Ira Robbins, Valley's President and CEO, signed the **CEO Action for Diversity and Inclusion in 2020** and pledged to take the following actions:

- Make Valley a safe place to have complex, and sometimes difficult, conversations about diversity and inclusion
- Implement and expand unconscious bias education.
- Share best—and unsuccessful—practices and
- Create and share strategic inclusion and diversity plans with Valley's Board of Directors.

To align with Valley's commitments of the CEO Action Pledge, our associates piloted a new series called, **Perspectives** where members met to view and discuss videos covering a variety of DEI-related topics. These discussions gave associates a safe space where they could ask uncomfortable questions as well as learn from and listen to each other. The **Perspectives** program will be expanding throughout the Bank in 2021.

In 2020, Valley launched an internal DEI site for our associates which includes a variety of educational resources on DEI topics. Going forward, we'll be rolling out educational programs to offer associates at all levels the opportunity to build their inclusion acumen. These programs will focus on allyship, mitigating unconscious bias, cultural competency and inclusive leadership. We'll also be launching a DEI Advisory Council to create and implement a multi-year strategy to embed DEI principles into Valley's business practices and policies.

Innovation is woven throughout the culture at Valley.

It's driven by identifying and solving for the right opportunities and creating unique user-centered solutions. We leverage innovation to help us listen to our customers and communities in order to improve the customer experience.



In 2020, we took a balanced approach to improve efficiency and leverage technology in order to glean data-driven insights, build a scalable infrastructure, improve processes, remove redundancies and create a better customer experience.

Inspiring Innovation

At Valley, innovation doesn't come from one single group within the Bank—the culture of innovation and great thinking permeates the Bank at all levels. We believe that it doesn't take a grand gesture to reinvent the entire industry but small, incremental improvements throughout the entire organization. Valley offers our associates tools to help them think differently like courses in design thinking. We then give them the opportunity to take the information they've acquired and apply it to problems, turning design thinkers into "design doers." While internal innovation is important to us, we've also partnered with incubators and startups that are, for the most part, in the same business domains as our customers to provide value-centered relationships.

Customer Experience

Designing a better banking experience allows us to foster a customer-centric culture where relationship banking is the priority. Through our Research and Service Design team, Customer Care Center and social media channels, we listen to our customers and use their insights to enhance the customer experience, improve the way we work, remain relevant and innovative while building a scalable organization for future growth. We look for opportunities to streamline current processes for efficiency and offer services that support our evolving needs.

In 2020, we took a balanced approach to improve efficiency and leverage technology in order to glean data-driven insights, build a scalable infrastructure, improve processes, remove redundancies and create a better customer experience. Our strategy helped us build a nimble and agile organization that continues to deliver optimized services through a variety of channels that meet our customers' needs.

Against the backdrop of a global health pandemic, a near-zero interest rate environment and general economic uncertainty, we maintained a focus on responsible and sustainable growth. As we move forward, sustainable growth will require a relentless focus on improving the customer experience, leveraging Valley's brand strength and a commitment to share our success with the communities we serve.

Our multi-year journey to integrate technology and service to enhance the associate and customer experience is known as FSOM (Future State Operating Model). We're committed to our FSOM journey and over the next few years that will include a collection of initiatives involving all Bank associates.

Corporate Governance

We are committed to enhancing our corporate governance practices, which we believe help us sustain our success and build long-term value for our shareholders. Our Board of Directors oversees Valley's strategic direction and the performance of our business and management. Our governance structure enables independent, experienced and accomplished directors to provide advice, insight, guidance and oversight to advance the interests of the company and our stakeholders. We have committed to strong governance standards and to transparent financial reporting and effective internal controls.



Shareholder Engagement

Our Board believes engagement with stakeholders helps us realize our goals. Management and directors proactively engage with our shareholders throughout the year on a broad range of governance and business topics, including strategy and execution, board recruitment, compensation practices, risk oversight, sustainability and culture/human capital. The exchanges we and our Board have had with shareholders provide us with a valuable understanding of our shareholders' perspectives and meaningful opportunities to share views with them. A brief description of our shareholder engagement efforts are outlined below.

WHO WE ENGAGE:

- Institutional shareholders
- Retail shareholders

HOW WE COMMUNICATE:

- Annual Report
- Proxy Statement
- SEC Filings
- Press Releases
- Firm Website
- Annual Corporate Social Responsibility Report

INSTITUTIONAL SHAREHOLDER OUTREACH BY DIRECTORS:

- Hosted discussions with large institutional shareholders.
- Extended invitations to institutional shareholders holding in the aggregate more than 20% or more of our shares to engage and responded to shareholder requests for engagement who were not extended an invitation.
- Our chairs of the Nominating and Corporate Governance Committee and Compensation and Human Resources Committee participated in these calls.
- Discussion topics included:
Corporate governance
Board independence
Shareholder rights
ESG issues

HOW WE ENGAGE:

- Quarterly earnings calls
- Investor relations
- Annual shareholder meeting
- Shareholder outreach program

2020 ENGAGEMENTS:

- **Senior Management**
Hosted over 100 investor interactions, including 23 calls, small dinners or merger related calls. Presented at 5 investor conferences. Our CEO presented at Valley's 2020 annual meeting and is expected to do so again at this year's annual meeting.

Stakeholder Engagement

We welcome the views of an even broader range of stakeholders who serve as critical partners in identifying our key sustainability areas of impact. We regularly engage with these stakeholders to assure that we understand their vantage points and concerns and prioritize issues that are important to both our stakeholders and our long-term business success. For example, through Valley's Regional Community Advisory Committees, our CEO and senior executives engage with consumer policy groups to discuss issues related to Valley's products, policies, customer-facing practices, communications and public policy issues. We engage with organizations on environmental and social issues and provide philanthropic support to a broad range of nonprofit organizations that work on issues that are important to Valley. Management shares insights and feedback from these relationships and engagements with the Board.

Our Board and senior management are committed to maintaining a strong corporate culture that instills and enhances a sense of purpose, participation and personal accountability on the part of all of Valley's employees. We do so by meeting with our regulators frequently to help us learn about matters of importance to them and their expectations of us. These meetings give the Board and management a forum for keeping our regulators well-informed about Valley's performance and business practices.

Our Stakeholder Engagement



Community Advisory Boards

In 2020, Valley remained steadfast in our commitment to engaging with our Regional Community Advisory Boards. This furthers the mission of serving the credit needs of the Bank's assessment areas, including the needs of low-moderate-income persons and geographies, small businesses and community organizations.

The New York/New Jersey Committee is comprised of leaders from organizations such as:

- **New Jersey Citizen Action (NJCA)**, a statewide grassroots organization fighting for social, racial and economic justice.
- **The Housing and Community Development Network of New Jersey** and its members share a commitment to promoting economic justice and the empowerment of low-income individuals and communities and encouraging wider participation in the framing and implementation of public policies.
- **La Casa de Don Pedro's** resident-centered agenda empowers people and promotes self-sufficiency through education and economic development strategies, neighborhood revitalization initiatives, and family stabilizing programs and services.
- **Essex Community Land Trust (ECLT)** provides permanent affordable homeownership opportunities for low-to-moderate-income individuals; warns against predatory mortgages; facilitate homeowner and financial success education; diversifies neighborhoods in terms of race, ethnicity and income; increases the length of deed restrictions; and provides on-going stewardship over transformed abandoned homes located on ECLT land.

- **Asian Americans for Equality (AAFE)** is a non-profit organization dedicated to enriching the lives of Asian Americans and all of those in need and has become one of New York's preeminent housing, social service and community development organizations.
- **Association for Neighborhood & Housing Development (ANHD)** empowers community members to advance affordable housing and thriving, equitable neighborhoods for all New Yorkers.

The Florida Committee is comprised of leaders from organizations such as:

- **Corporation to Develop Communities of Tampa, Inc. (CDC of Tampa):** Creates opportunities for people to build prosperous futures and vibrant communities. Founded in 1992, CDC of Tampa has built a proven track record of reducing disparities for people and communities throughout Tampa, Hillsborough County and beyond.
- **LB Limited and Associates Inc.** has been providing small business consulting and expertise to over 31 small businesses throughout Florida. They also extend services to community-based organizations and government entities at the county and city level.
- **MBS Consulting Services Inc.** specializes in creative approaches to increasing resources and capacity for community-based organizations and provides complex and innovative methods of delivery of housing, homeownership and qualified bankable buyers to financial institutions.
- **Orlando Neighborhood Improvement Corporation (ONIC)** is a leader in Central Florida in promoting stable, thriving communities of opportunity, by

providing affordable housing, in conjunction with engaged residents in a service-enriched environment.

- **Palm Health Foundation is Palm Beach County's** leading community foundation for health. With the support of donors, they build strong community partnerships, advocate for their most vulnerable neighbors and inspire innovative solutions to lead change for better health now and for generations to come.

The Alabama Committee is comprised of leaders from organizations such as:

- **Birmingham Business Resource Center (BBRC)** provides training programs and financial assistance in the form of loans that help small businesses grow and advance in practice and performance.
- **Titusville Community Development Corp. (TDC)** is a non-profit 501c3 community housing development organization. TDC works towards removing blight in distressed areas, increasing housing stock and further empowering residents through financial education.
- **Neighborhood Housing Services of Birmingham (NHSB)** works to give families the tools they need to emerge from poverty and achieve financial stability. NHSB helps stabilize urban neighborhoods in the City of Birmingham and surrounding areas by promoting personal financial empowerment and a pathway to homeownership.

A Scalable Security Architecture

As Valley embraces digital transformation initiatives, business outcomes are linked to technology areas such as application development and cloud computing, among others. That's why we're prioritizing the

protection of these technology assets to ensure business operations run smoothly and safely. Our Information Security team has implemented a comprehensive Governance and Policy structure and scalable security architecture. This structure allows us to embrace current and emerging technologies in order to supply customers with high quality products and services while maintaining our focus on the security of our company, customers and business partners.

Cyber security is a critical component of our cultures. The program ensures secured access to information and systems for those who need it and reduces friction and time to market for products and services. Our constantly evolving program includes a continuous improvement process that enhances personnel capabilities and meets current and emerging threats in the cyber landscape.

Even though we've made cyber security a priority organization-wide, we understand that cyber defense is a community endeavor and we're only as strong as our neighbors and partners. Sharing and training associates, customers, our industry and business partners in cyber information is a major component of Valley's cyber program. Education on cyber threat techniques helps improve Valley's cyber stance and the community as a whole.

Valley views its community partnerships as a way to connect service offerings with the people who need them, as well as a way to assist us in better understanding and prioritizing community needs.

A Look Ahead

In 2021, we remain as dedicated as ever to our communities, associates and customers.

We're proud of what we've accomplished and know there is much more to do as we begin to recover from the COVID-19 pandemic. And while we're all living the new normal, at Valley, we'll continue to stand alongside our associates, customers and communities just as we've done for over 90 years.

After all, we're all in this together.

