

VALLEY NATIONAL BANCORP ESG Report 2022-2023

Sustainable Momentum, Responsible Growth



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Our message



Ira Robbins,
Chief Executive Officer

As I reflect on the progress Valley has made since we published our last ESG report, one thing that has remained consistent is our commitment to our associates, customers, and the communities we serve. It's more important than ever to continue working toward building a responsible and sustainable future and I'm proud of all we've accomplished since 2021.

ESG encompasses a wide range of issues, from climate change and resource conservation to employee well-being, diversity, and corporate ethics. It's an essential component of our sustainable, long-term growth and, in the following pages, you'll read about how Valley has contributed to these areas.

First, I want to take a moment to talk about the "why" behind our ESG efforts. We're addressing environmental impact, fostering positive social relations, and maintaining strong governance practices for:

Sustainability and Resilience

As a responsible corporate citizen, we understand that our long-term success is intrinsically linked to the health and well-being of the communities we serve and the environment we depend on. By proactively addressing ESG issues, we build resilience against environmental risks, regulatory

changes, and societal challenges, ensuring our ability to thrive in an ever-changing world.

Stakeholder Trust

Trust is the foundation for success. By demonstrating our commitment to ESG principles, we foster stronger relationships with our associates, customers, and communities which is an invaluable asset for sustainable growth.

Attracting and Retaining Talent

In an increasingly competitive talent landscape, our dedication to ESG has become a powerful differentiator. We know our associates feel motivated and engaged with the knowledge they're working for an organization that aligns with their values and contributes positively to society.

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Embracing ESG challenges us to think innovatively and find creative solutions to complex problems.

Innovation and Adaptation

Embracing ESG challenges us to think innovatively and find creative solutions to complex problems. Whether it is finding ways to reduce our carbon footprint or fostering a diverse and inclusive workplace, ESG inspires us to continuously adapt and improve our business practices.

Valley's ESG efforts are not only crucial to the Bank's growth, but we also see it as a strategic advantage. As we navigate the future, we promise to keep you informed about our progress, challenges, and successes on our ESG journey. Together, we can shape a more sustainable and prosperous future for all stakeholders.

Thank you for your unwavering support and for sharing our vision of a better world.

Sincerely,



Ira Robbins



About Valley

At Valley, we're dedicated to more than just financial services; we're committed to fostering sustainable and responsible practices.

With a legacy spanning over 95 years, we prioritize Environmental, Social, and Governance (ESG) principles in all facets of our operations. Through promoting diversity, equity, and inclusion in our workforce, supporting local communities through responsible investments, partnering with environmentally conscious organizations, and implementing sustainable business practices, we aim to make a positive impact on the world around us.

Financial Data is as of 12/31/23



Valley National Bancorp
NASDAQ



3,700+
Employees



1927
the year of our founding



\$61B
in Assets



230+
in Branches and offices
across 6 states



240+
ATMs



\$50B
in Loans



\$49B
in Deposits

Our Core Values

1★

Our Purpose

We believe success starts with our communities. For over 95 years, we've been committed to serving, supporting and strengthening our communities through economic inclusion, workforce expansion and community development, and investment in local non-profits with a conscious commitment to our local partners.

2★

Our Vision

To make a lasting impact on our communities by committing to the success of everyone we serve.

3★

Our Mission

To give people and businesses the power to succeed.



About this Report

We're proud to share our 2022-2023 Environmental, Social, and Governance Report.

Our second ESG report demonstrates how Valley remains steadfast in our commitment to sustainability by making a positive impact on the communities we serve and the world in which we live. This report highlights our efforts to ensure compliance with regulatory requirements and best practices in corporate governance, fostering long-term shareholder value, and trust in the organization. You'll read about just some of our accomplishments as we move forward in our measured approach to ESG with a focus on inclusivity and understanding.

Our ESG Council reviewed the principles and disclosures of the Sustainability Accounting Standards Board (SASB) for Commercial Banks and the recommendations and supporting disclosures of the Task Force on Climate-Related Financial Disclosures (TCFD) and examined how we could implement strategies to expand our disclosures and metrics to follow these frameworks. To increase transparency around our sustainability and community efforts, we aim to release an updated ESG report every other year. This report covers 2022 and 2023 along with some historical information. The 2020/2021 report is accessible online [here](#).



Environmental, Social and Governance (“ESG”) Overview



Since our very beginning in 1927, at Valley, we are committed to making a positive, lasting impact on the communities we serve and in the world in which we live. At the end of 2023, we had nearly \$61 billion in assets, over 230 branches and banking offices across New Jersey, New York, Florida, Alabama, California, and Illinois, over 3,700 employees, and thousands of clients. We serve families, individuals, businesses, non-profit organizations, municipalities, and communities across our expansive footprint. At Valley, we are committed to giving people and business the power to succeed.

We recognize the magnitude of the role we play and the unique opportunity we have to inspire and create a socially responsible and sustainable future for our

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In early 2020, senior management, with the backing of our Board of Directors, created our ESG Council to bring together a variety of perspectives from leaders across Valley to strengthen and provide guidance for the implementation of our sustainability initiatives.

communities, our stakeholders, our associates and our organization. That's why we've dedicated our resources and leaders to making sustainability matters a priority at Valley. As part of our dedication to responsible corporate stewardship, we feel it's important to share with you why our sustainability initiatives are important to us and the steps we're taking to build a vibrant and sustainable future for our stakeholders: our customers, investors, associates, and communities throughout our expansive footprint. Our approach is driven by our foundational belief that our financial performance and prosperity are tied directly to the success of those key stakeholders. At Valley, our intense focus on outstanding customer service is our "North Star" that guides our product offerings and delivery channels in order to propel our clients forward to thrive for generations to come. Our goals for sustainability are founded in this long-term view, our passion for building our communities, and our commitment to progress.

The ESG Council

In early 2020, senior management, with the backing of our Board of Directors, created our ESG Council to bring together a variety of perspectives from leaders across Valley to strengthen and provide guidance for the implementation of our sustainability initiatives. In order to provide diversity of thought and approach, the ESG Council is a cross-functional group comprised of members from our Credit Risk Management, People Resources, Community Reinvestment, Community Lending, Corporate Lending, Retail Banking, Commercial Banking, Private Banking, Workplace Solutions/ Property Management, Information Security, Marketing, Vendor Management, Risk, Finance, Audit, and Legal

departments. Our ESG Council meets on a regular basis to proactively discuss opportunities (lending, investments, volunteer activities, etc.) and new developments in this space.

Two important goals of our ESG Council are to increase education for our associates company-wide regarding sustainability and to identify, evaluate, and analyze our business to find opportunities to integrate ESG-related factors into our operations in a way that is inclusive and considers a 360-degree view of the impact on our stakeholders. There are two sub-councils of the ESG Council, one of which focuses on climate-related risks and the other which focuses on lending opportunities associated with carbon transition. Our lending activities for carbon transition are to assist our clients' self-directed activities toward energy efficiency and greener operations. We note that we do not exclude specific industries. Our Council's philosophy remains one of proactivity with a focus on encouraging the build-out of our strong foundation for the promotion of economic and environmental sustainability in all of Valley's markets across the United States.

The importance of the work of our ESG Council is punctuated by the fact that our Board of Directors has delegated ongoing oversight of our ESG Council and our ESG program and strategy to the Nominating, Governance, and Corporate Sustainability (NGCS) Committee. The Compensation and Human Capital Management Committee (Compensation Committee) and the Risk Committee are also involved in ESG-related issues that naturally fall within their areas of responsibility while the overall oversight of strategy lies with the NGCS Committee. The ESG Council reports to the NGCS Committee on ESG activities no less than twice a year with the last update provided in October 2023. Additionally, the Board receives periodic reports from the ESG Council on the Company's progress on Corporate Social Responsibility (CSR) and Community Reinvestment activities.





In December 2021, the ESG Council published its first ESG Report, which covered 2020 and the first half of 2021, along with some historical information (accessible online [here](#)). In May 2023, Valley released “Inspiring Change,” the Bank’s 2022 CSR Report, which highlights the Bank’s commitment to helping build stronger communities and to advance its mission to raise awareness of community and social impact. Subsequently, Valley released “Building a Better Future,” Valley’s 2023 CSR Report which is accessible online [here](#).

Environmental Management Activities

We are proud to report on our significant developments and substantial investments in our efforts focused on reducing our own carbon footprint and promoting sustainability within our markets since our last ESG report.

New Morristown, New Jersey Headquarters:

Our most significant development in reducing our own carbon footprint and creating lasting sustainability in our community in 2023 was the ground-up construction, launch, and move to our new 120,000 square foot Valley Bank headquarters in Morristown, New Jersey, which has received Leadership in Energy and Environmental Design (LEED) v4 Commercial Interiors Gold certification. LEED is a green building certification program that is utilized worldwide. Valley achieved LEED certification by addressing areas such as carbon, energy, water, waste, transportation, materials, health, and indoor environmental quality. LEED certified buildings are better for business, better for people, and better for the environment. To become LEED certified, our building

earned points by adhering to the above-mentioned requirements. For Valley Bank’s headquarters, we placed particular emphasis on:

- 1 Creating a healthy, high-performing environment for the well-being of our associates;
- 2 Running a modern, high efficiency building for the benefit of our operations; and
- 3 Investing in what we value ourselves and serving as an example to promote investments in sustainability to our stakeholders.

Our headquarters incorporates a wide range of sustainable features and strategies that minimize its environmental footprint and maximize resource efficiency, while improving occupant comfort and well-being. Here are some key project highlights:

Water: There is a 44% potable water use reduction via ultrahigh-efficiency water fixtures compared to LEED baseline fixtures, which equates to an estimated 360,000 gallons of annual potable water savings. This is equivalent to saving an Olympic-sized pool amount of water every 2 years.

Energy and Carbon: The new building offers 19% energy savings, and the HVAC equipment features low global warming potential impact refrigerants.

Air: Indoor air quality was enhanced through high-efficiency air filtration on outside air supplied to the space.

Embodied Carbon: Architectural finishes and general construction materials were specified to ensure they had verified life-cycle impacts and material ingredient transparency information.

Air Quality: Most adhesives, sealants, paints, flooring, insulation, and ceiling materials were specifically selected to ensure they met rigorous testing requirements for Volatile Organic Compounds (VOC) emissions.

Energy: Enhanced commissioning was performed on the mechanical, electrical, and plumbing systems to ensure they were installed and operating efficiently.

Waste: Construction waste management practices minimized total materials sent to landfill and recyclers by a rate of 7.5lbs/SF.

The move to our Morristown building enables us to house up to 660 banking professionals in one modern, technology-enabled location. It also provides our associates with the opportunity to be part of the vibrant Morristown community, where we have established valued relationships with numerous local organizations and nonprofits forged over many years. One of the highlights of the integration of our Morristown community relationship and our new headquarters is the opening of Ethan and the Bean, a woman-owned non-profit business in the lobby. See the [“Social”](#) section of this report for further details.

Our strategies regarding other physical locations where we have ownership or operational control

incorporate climate change considerations in footprint optimization and design, construction, operations, and processes to reduce negative environmental impacts in our branch and office locations. Whenever possible, our project strategies include environmentally conscientious materials selection, indoor air quality, energy management, and water efficiency. We are also proactively replacing aging HVAC units as they near the end of life with newer, greener units that utilize eco-friendly refrigerant when available, less electricity, and are more energy efficient. We have also invested in video conferencing technologies and virtual collaboration tools and capabilities that allow our associates to reduce work-related travel time, costs, and environmental impact from travel. Other environmentally sound practices that we have deployed within our footprint include utility use with smart technology, recycling programs for paper and waste, filtered water to reduce water waste, updated LED lighting, and digital business strategies to reduce paper usage and postage.

For 2022 and 2023, Valley continued its 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. Moreover, Wisetek targets and achieves zero landfill for all production operations, which means that, after proper data cleansing, Valley IT assets at the end of their life are processed with a focus on resale or reuse to maximize value recovery. Material which does not have a reuse market is processed as E-waste and responsibly recycled. In 2022 and 2023, Wisetek

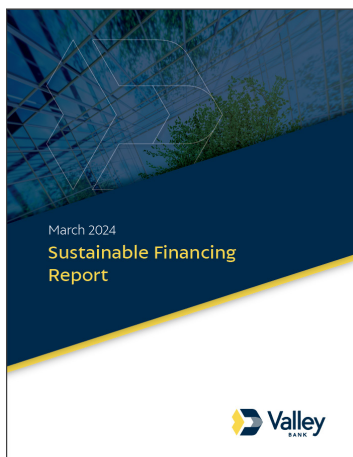
The move to our Morristown building enables us to house up to 660 banking professionals in one modern, technology-enabled location.



diverted approximately 52.62 tons and 58.36 tons (US), respectively, of Valley IT assets from landfills.

Moving forward, we are working to evaluate and establish a company-wide utility management system to better enable us to monitor energy usage in the locations where we operate, as we prepare to report Greenhouse Gas (GHG) emissions, and to identify opportunities for further operational efficiency and emissions reductions.

Sustainable Subordinated Debt Offering or “Sustainable Bond”



In September 2022, Valley was the first amongst its peers to issue a \$150 million dollar “sustainable bond” in the form of subordinated debt and published the Sustainable Financing Framework ([the Framework](#)) to govern this and any future issuances. A [Second Party Opinion](#) of the Framework was provided

by Sustainalytics wherein it opined “that the Valley Sustainable Financing Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021.” This Valley Sustainable Financing Framework represents the next evolution of our ESG strategy and will guide future sustainable, social, and green debt bond issuances.

The Framework was developed with the support of the ESG Council to align with the International Capital Markets Association Sustainability Bond Guidelines 2021, Social Bond Principles 2021, and Green Bond Principles 2021, as applicable, to specifically address four core components of these principles:

1. Use of Proceeds
2. Project Selection and Evaluation Process
3. Management of Proceeds
4. Reporting

The Framework spells out that our Sustainable Financing(s) will be executed to finance or re-finance, in part or in full, new and/or existing social and/or green assets that meet specified eligibility criteria aligned with one or more of the United Nations’ Sustainable Development Goals, including, but not limited to:

- Affordable Housing
- Workforce Housing
- Socioeconomic Advancement and Empowerment
- Access to Essential Infrastructure and Essential Services
- Access to Education
- Renewable Energy
- Energy Efficiency
- Green Buildings
- Clean Transportation

To oversee the compliance with reporting and monitoring associated with the Framework, in 2022 we formed the Sustainable Financing Committee. This committee’s role is to establish and reevaluate, as necessary, our criteria for “Eligible Green Projects” and “Eligible Social Projects” considered for deployment of proceeds from any Sustainable Financing issuances by Valley. In addition, this committee is responsible for reporting on those loans and investments deemed eligible for all of Valley’s Sustainable Financing issuances. Sustainable Financing Committee members include the Co-Chair of the ESG Council, Director of Capital Planning and Stress Testing, Deputy CFO and a Corporate Finance Manager.

In 2023, the ESG Council, in conjunction with the Sustainable Financing Committee, participated in the tracking and reporting of the transactions that fit the requirements of Valley’s \$150 million sustainable bond and comply with the parameters of the Framework. Pursuant to the terms of the bond, the Sustainable Financing Committee curated and reviewed the loans that were in an amount equal to the net proceeds from this offering and whose stated use of proceeds were to be used to finance or re-finance, in part or in full, new and/or existing social and/or green assets meeting the definitions and criteria established by the Framework.

The proceeds were disbursed to support our efforts for sustainability by extending loans that supported

energy efficient projects, affordable housing, clean transportation, and workforce housing.

In September 2023, the Sustainable Financing Committee reconciled the use of the proceeds for the \$150 million sustainable bond (Valley's Sustainable Financing) as follows:

Renewable Energy

\$17 million of Valley's Sustainable Financing was utilized to fund loans to finance the construction of renewable energy projects including solar panel projects where energy produced is to be distributed for residential, institutional, and commercial subscribers.

Clean Transportation

\$48 million of Valley's Sustainable Financing was utilized to fund loans for clean transportation. Approximately \$17 million funded consumer loans for purchases of electric vehicles, including full EVs from Ford, Hyundai, Kia, Tesla, Volkswagen, Chevrolet, GMC, Volvo, Nissan, BMW, Subaru, Audi, Porsche, and Lucid. Another \$31 million funded the importation and distribution of electric golf cart vehicles, including street-legal carts commonly used in retirement communities in the U.S.

Affordable Housing

\$56 million of Valley's Sustainable Financing was utilized for affordable housing. Within this subset, approximately \$16 million funded loans supporting not-

for-profit agencies' residential projects that provided housing to developmentally disabled individuals above age 21, who are Medicaid recipients and have chosen to live independently in their communities. The funded programs provide a variety of residential opportunities for individuals who are ready to take on a more independent role outside of their family home, with or without supervised support. The balance of approximately \$40 million was used to fund projects with 336 multi-family units in New York, New Jersey, and Chicago that are leased to tenants that are receiving Section 8 Housing Assistance, rental subsidies, and below U.S. Department of Housing and Urban Development's Fair Market Rents.

Workforce Housing

\$29 million of Valley's Sustainable Financing was utilized to fund loans to either acquire or develop affordable, multi-family housing properties throughout our geographic footprint. The completed projects include over 240 multi-family units in New York, New Jersey, and Florida that are leased to tenants with rental rates that are below U.S. Department of Housing and Urban Development's Fair Market Rents.

ESG Internal Education Efforts:

To achieve our goal of improving associate knowledge and reinforce our culture of sustainability, in March 2023, the topic of ESG was featured in a panel discussion at our company-wide Town Hall with both a live audience and a broadcast open to all associates. Prior to the panel discussion at this Town Hall, we aired a video solely focused on ESG that was designed in-house to define ESG within the bounds of our corporate culture, enhance awareness of our approach and execution, and increase involvement as we seek to ensure that our mission of sustainability is firmly attached to our brand. Both the video and panel discussion focused on sharing our inclusive approach to sustainability and conveying to our associates that



prioritizing sustainability matters aligns our business strategies with broader societal goals, promotes sustainable development, and contributes to a more resilient and responsible corporate culture. Both the video and the panel discussion featured associates from several different departments, including Corporate Lending, People Resources, Credit Risk Management, Consumer Lending, Capital Planning, and Community Reinvestment.

Sustainability Ambassadors:

Valley seeks to raise organizational awareness not only through corporate programs, but also through grassroots efforts. The emerging Sustainability Ambassadors are a network of associates who actively bring environmental stewardship to life by supporting corporate initiatives, seeking opportunities to integrate environmental awareness into their roles, and engaging in local events and volunteerism.

Ambassadors share ideas cross-regionally with the environmental management team and, in turn, receive a behind-the-scenes view on topics such as energy and waste management, climate change, sustainable suppliers and more. To date, our ambassadors span four states and represent 21 departments.

Lending Programs:

We manage a robust lending portfolio in both commercial and consumer businesses with a focus on commercial and industrial lending, commercial real estate, small business lending, residential loans, and automobile financing. To reduce carbon emissions and encourage the use of renewable energy resources, we have focused on providing financing within our communities to support positive climate impact goals. We are working to understand the challenges of our clients and communities as they move towards a lighter carbon footprint and manage their own climate-related risks, so that we may deploy our lending activities to support those efforts.

Foundational to any of our environmentally focused lending programs is the Company's adherence to a strong credit culture. We continuously review our credit practices to assess the impact of climate change in our lending activities. We are aware that changes in our credit policies and practices to reduce and/or manage our exposure to climate-related risks should



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not adversely affect vulnerable communities or specific industries.

We have continued our focus on improving data collection in the ESG space as we noted that our system of record presented challenges in readily gathering data on our accomplishments of deploying capital via commercial loans that are ESG related. As a result, we revised our credit underwriting technology platform to facilitate the collection of information on loans we make for renewable energy resources, lending to support LEED and other green-certified buildings, and loans for green-related and/or energy efficiency related projects and equipment. We reviewed and collected information on the historical investments we made in renewable energy projects to support our Sustainable Bond and other loans that we have made that either exceeded the limits of the Sustainable Bond or may not have met the narrowly defined parameters of that bond, but nonetheless align with our goals for sustainability.

In developing lending programs that specifically support environmental sustainability, we have considered many different programs and approaches to growing this segment of our business which are in differing stages of development. Climate Mitigation Lending approvals and loan structures are, and will be, subject to our

existing Credit Policy and Risk Acceptance Criteria to maintain our moderate credit risk profile. Today we can highlight the continuation of our discounted pricing program, started in June 2021, supporting our indirect and floor plan finance areas for hybrid and electric consumer vehicles. In 2022, Valley funded auto loans for 1,178 electronic vehicles and/or hybrid vehicles totaling \$36.6 million dollars. In 2023, those results remained strong with 1,015 electric or hybrid vehicles financed for \$31.8 million dollars in aggregate with some of the makes including, but not limited to Ford, Hyundai, Kia, Tesla, Volkswagen, Chevrolet, GMC, Volvo, Nissan, BMW, Subaru, Audi, Porsche, and Lucid.

In addition, we are proud of our other current financing of renewable energy businesses and projects. Our customers include a real estate investment in a mixed use property where the borrower reports LEED Platinum certification; a real estate investment in an industrial property where the borrower reports LEED Silver certification; a leading finance company for small-scale renewable energy products; a minority owned business that manufactures electrical cable and related equipment in the U.S. for large-scale solar and wind turbine projects; a company that provides major component services for wind turbine installations; an installer of solar panels; recycling companies; green energy construction developers; and commercial real estate properties with charging stations for electric and plug-in hybrid vehicles.

In 2023, we expanded our Level III credit concentration threshold for environmentally sensitive industries, which is an internally derived capital allocation methodology. Our approach to lending in the climate space strikes a balance between preserving our culture of prudent risk taking and mitigation with continuing to support growth to environmentally sensitive industries that will likely evolve as a result of anticipated changes in the regulatory landscape. This specific credit concentration threshold allows for growth as we identify those clients that we anticipate will be most

We will ensure that our approach, policies, and practices in extending credit are inclusive and supportive of our clients' self-directed goals for sustainability.

highly impacted by regulations regarding their carbon transition. The expansion of capacity in this Level III credit concentration threshold in 2023 provides room for further growth to finance climate transition needs of our clients and potential clients.

We will continue our path to remain persistently apprised and relevant with new opportunities and developments in this space by leveraging our professional contacts and constituents, including non-profits, business entities, and government sources. We will ensure that our approach, policies, and practices in extending credit are inclusive and supportive of our clients' self-directed goals for sustainability.

Climate-Related Financial Risks

We recognize climate change as a significant and pressing global issue. As such, we are committed to understanding how climate change may influence the risks we identify and manage for our own operations as well as those of our clients and potential clients. Our teams across the company are working to integrate the risks associated with climate change into our enterprise risk management framework.

We are reviewing our credit practices to assess the impact of climate change and the costs to mitigate climate risks in our lending activities. We are aware that changes in our credit policies and practices to reduce and/or manage our exposure to climate-related risks should not adversely affect vulnerable communities or specific industries. For example, we are aware that homes in flood prone locations are more likely to be low-to-moderate income (LMI) communities. As we review our lending in flood zones to mitigate the impact of climate change on our lending portfolio, we want credit to remain available for the purchase or refinance of homes in those areas. We also are cognizant of continuing to lend to specific industries that may need our support the most as they embark on their journey to a lighter carbon footprint.

The use of scenario analysis – in which the resilience of financial institutions is assessed under different hypothetical climate scenarios to better understand climate related risks and impacts – is an emerging tool to assess climate-related financial risks. Through the efforts of Valley's ESG Council and sub-councils, we are working towards enhancing data capture processes



which will aid in the assessment of risks specific to our organization so that we may develop mechanisms to further build out our ability to perform scenario analysis. As we work towards fully integrating climate risk into our risk framework, we continue to deploy idiosyncratic operational climate-related risk scenarios that are tailored to the geographic footprints in which we operate, and relevant to our businesses, our risk posture, as well as our funding and capital management practices.

Additionally, in 2022, we joined the Risk Management Association (RMA) Climate Risk Consortium for Regional Banks to better understand how climate related risks and opportunities are being addressed in our industry. We participated in monthly meetings and a roundtable discussion regarding regulatory direction, data metrics, and vendors for assessing potential exposure and/or probability of climate related events and building infrastructure to capture and report relevant risk.

On an annual basis, we conduct our annual capital stress test which is an integral component of Valley's capital management program. Management conducts stress testing using economic scenarios developed by Moody's Analytics and the Federal Reserve Board to stress various types of balance sheet risks that are prominent throughout the banking industry and economic environment. The scenarios use national macroeconomic variables to stress changes in employment, production, inflation, interest rates, real estate pricing, exchange rates, and the stock market. In this manner, the Capital Stress Test is primarily focused on interest rate, credit, and liquidity risk streams. Since the occurrence of extreme weather events, such as hurricanes, floods, and wildfires, are agnostic to both good and bad economic circumstances, management also incorporates operational risk scenarios focused on severe weather events as a component of our annual capital stress test. By "layering on" the impacts associated with a hypothetical severe weather-related event during a period of prolonged economic weakness, it thoroughly stresses the resiliency of the organization across all risk streams simultaneously. This type of analysis strengthens our strategic conversations by enabling us to frame and assess the potential range of possible business outcomes and weigh management options for consideration.

Our 2022 Capital Stress Test included an operational risk scenario centered around catastrophic weather

events in New York, New Jersey, Florida, and Alabama. This hypothetical scenario we chose for 2022 was related to an extreme weather event taking place in our New York/New Jersey metropolitan and Florida/Alabama areas in a quick succession. Our analysis took into account impacts to Valley from a direct impact (e.g., via damage to real estate holdings), indirect impact (e.g., via damage to commercial and residential mortgage collateral) as well as staffing and operating losses.

Our 2023 Capital Stress Test added California to our operational risk scenario around catastrophic climate-related events in addition to including New York, New Jersey, Florida, and Alabama. The results of the internal stress tests are considered in combination with other risk management and monitoring practices at Valley to maintain an overall risk management program.

Going forward, management expects to make meaningful strides towards enhanced data capture so that we may perform scenario analysis to further understand Valley's exposure to physical and transition risks under different hypothetical climate scenarios. Scenario analysis may be performed in compliance with regulatory guidance or as directed by management. As Valley continues to approach key asset size thresholds, management is taking steps to prepare for enhanced reporting requirements, which include but are not limited to scenario analysis and climate-related financial disclosures. For example, we are exploring various alternatives, such as utility bill payment and energy and water unit usage management software, to assist with data collection, which will ultimately aid in complying with regulatory reporting requirements.

As we continue to execute our ESG strategy, management expects to be able to capture meaningful data from our own climate-related experiences. Meaningful data capture will allow us to better inform and shape our strategic planning efforts, enhance the inputs to our stress testing models to conduct meaningful scenario analysis, as well as improve various other processes across our organization.

Our Social Practices and Approach

Valley recognizes the importance of its relationships with its associates, customers, and the communities it serves. Our foundation was built by the strength and depth of relationships with our customers and communities, by being a trusted financial partner, generating innovative ideas and solutions, advocating for local communities, and cultivating an ethical workplace culture.

At Valley, we believe in the transformative power of business to create positive change. From fostering diversity and inclusion to championing community initiatives, we are dedicated to leaving a lasting, positive impact on the world around us.

Our Social Impact

Diversity, Equity, and Inclusion (DEI) at Valley

At Valley, our people represent the communities we serve which is why we embrace an inclusive culture. Valley's culture of belonging celebrates unique perspectives and experiences, and we work hard to ensure equity and access are at the core of everything we do.

We are committed to continue building on our inclusive culture by fostering an environment where authenticity thrives, and every voice is both heard and valued. This contributes to innovation across the company, engagement, and drives positive business results.

Inclusion and belonging are embedded in our values as we continue our journey to solidify our diversity, equity, and inclusion efforts. Our goal of building upon Valley's inclusive culture where everyone belongs is made possible through the efforts we have described in this report.

We encourage everyone to expand their points of view, to be open-minded and to seek to understand our individual differences. These groups are open to all associates and champion an environment in which unique experiences and perspectives are encouraged and valued. Valley's Associate Resource Groups (ARGs) allow associates to connect with each other in a meaningful way, which enhances the ability for various teams to work together collaboratively and support one another.

Each ARG provides educational resources for our associates to learn about, champion, and celebrate the unique individuals and communities that make up the Valley fabric.

6

Companywide ARGs

650

ARG individual members

70

ARG events from 2022-2023



ARG Groups



Valley's ARGs include:

ABLE: Committed to empowering the disability community at Valley and in the communities we serve through education, communication, innovation, and technology.

ASIA (Asian Society for Innovation and Advancement): Dedicated to celebrating the diversity and rich history of Middle Eastern, South Asian, Asian Pacific, and Asian American cultures and applying these cultures to Valley's work environment.

BELIEVE (Black Employees Leading in Inclusion Excellence Vision and Empowerment): BELIEVE encourages and empowers Black associates to lead and thrive in their professional careers through greater access to professional development, mentoring, and networking.

HOLA (Hispanic Organization for Leadership and Advancement): Dedicated to inspiring and supporting Hispanic, Latino/a/x, and Portuguese professionals and their colleagues at Valley.

PROUD: Committed to creating safe spaces and ensuring the well-being of LGBTQ+ associates and their colleagues by promoting allyship, advocacy, and education through cultural competence and awareness.

WISE (Women Influencing Success and Empowerment): Committed to educating, connecting, elevating, and empowering women by providing inclusive networking, professional development and opportunities for collaboration and community outreach.

We continued our commitment to help build relationships with the official launch of our *ARG Mentorship Program* in 2022. The *ARG Mentorship Program* offers career development opportunities for both program mentors and mentees. Through the program, mentees learn how to identify and establish professional goals, improve their skillsets, and outline a long-term career path. Mentors grow as leaders and learn how to guide their mentees towards positive professional development.



Financial Literacy

Increasing access to financial literacy education and financial empowerment is a key goal that aligns with our DEI strategy. We provide equitable access to opportunities for our associates, clients, and the communities we serve to learn and expand their financial literacy.

Valley's **Journey to Homeownership series** launched in June 2021 and has been a key resource for Valley associates and members of our community throughout 2022 and 2023. These 45-minute webinars cover a variety of important topics including:

- Basics of home financing
- How much home can you afford?
- Affordable mortgage programs
- Refinancing options
- Special offers for Valley associates

Our **Access to Capital Financial Empowerment Roundtable series** launched in 2021 and continues to provide customers and associates with resources on financing minority- and women-owned small businesses and achieving entrepreneurial success. Through the series, customers share about their experiences and Valley associates offer insights on how Valley can support their financial needs.

In 2022, we launched our **Jumpstart Your Professional Development series**, a series that focuses on providing Valley associates with a greater understanding of Valley's strategic pillar of building an enduring service-based culture driving our performance, along with the tools to build and improve interpersonal and professional skills. Some of the takeaways from our **Jumpstart Your Professional Development series** include:

- Lead with empathy to build trust – the foundation for an inclusive work culture.
- Take the time to understand the perspectives of others – put your ego to the side so that you can leverage the talents and strengths of our teammates.
- Listen to understand, not to respond.
- Trust is earned, not given.
- Check in with your teammates and establish genuine connections – ask them how they are doing and let them know that you are there to support them.
- Extend grace when working with others – no one is perfect.
- Set clear objectives and goals when working with others so that everyone is on the same page.
- Show up as your authentic self, and welcome others to do the same.
- “If you want to go fast, go alone. If you want to go far, go together.” – African Proverb

The DEI team, along with the Learning and Development team, rolled out **Widening the Lens: Sharing Our Perspectives series** in 2022. The series features topics such as mitigating unconscious bias, being an upstander against bias, building cultural competency, and allyship. Education like this helps us to create a stronger community that's built on inclusion and belonging.

Our ARG Listening sessions where members and non-member of our ARGs meet to discuss and address relevant issues impacting our associates and our communities have yielded important dialogue which has prompted the launch of the **REAL Talk series**, an open forum for our associates. Through this series, associates have a voice in important discussions that cover a variety of DEI-related topics. It serves as a safe space for everyone to engage in conversation and share their thoughts, feelings, and own personal life experiences.

In 2023, Valley's ARGs offered timely event programming and initiatives around topics such as:

Mental Health

WISE and BELIEVE held four events with guest speakers who spoke about the significance of mental wellness and shared mental health strategies and resources for Valley associates. It's important that discussions around mental health occur more frequently to foster a safe work environment where mental health and wellness can be discussed without fear or judgment.

Professional Development

ASIA launched their **Professional Development Virtual series**, which offers associates the opportunity to connect with colleagues and expand their professional skillsets. BELIEVE debuted their **Level Up! Professional Development series**, with a focus on supporting Valley's retail employees in their professional development journeys.

Community Service

Valley's ARGs continue to engage with and create strong relationships with our communities through various outreach initiatives. ABLE participated for a second year in the **Special Olympics Lincoln Tunnel 5K Challenge Fundraiser** – coming out as one of the top fundraising teams. The ARG also continued their partnership with **The Nicholas Center** and held a Financial Literacy Workshop for students with autism.

HOLA, ASIA, and BELIEVE each hosted community service events that primarily focused on helping those with food insecurity. HOLA continued their participation in volunteering with the **Table of Hope of Morristown** and **America Grow-a-Row of Pittstown** and BELIEVE partnered with the **CROS Ministries Gleaning Program**.

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Valley's ARGs allow associates to connect with each other in a meaningful way, which enhances the ability for various teams to work together collaboratively and support one another.



Committed to Our Communities

Our community strategy is not only aligned with Valley's Strategic pillars but also with our Corporate Social Responsibility pillars.

 <p>Promoting affordable homes</p>	 <p>Inspiring innovation and entrepreneurship</p>	 <p>Living out commitment to impactful local leadership</p>	 <p>Stimulating economic and community development</p>
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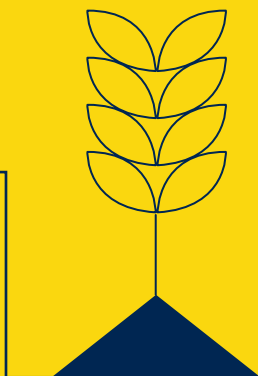
Our associates provided over

1,600 hours

of financial literacy training to our communities

1 out of 4

Retail Market Managers on CRA boards or committees



The following were the focus of our community engagement activities in 2022 and 2023:

Being leaders in our local communities means responding to the needs of our communities, building relationships with fellow community members, understanding and identifying community needs, and championing initiatives that cultivate strong, local leadership. Our associates are actively engaged with community organizations and volunteered more than 13,500 hours last year. In particular, **The Community Food Bank of New Jersey (CFBNJ)** is the state's largest anti-hunger and anti-poverty organization, and in partnership with the New Jersey Bankers Association, the **One Million Meals** initiative has a goal to reach a total of one million meals to feed hungry seniors, parents, and children across the state. To support the initiative, the Valley team volunteered almost 600 hours in 2023.



To encourage all associates to volunteer and give back to our communities, we provide our full-time associates with up to 16 hours of paid time off for their volunteer activities.

Our long-term goal is to have 100% of Retail Market Managers serve on a CRA qualified board or committee of a non-profit organization focused on the betterment of our communities and their citizens. Market Managers are utilizing Valley's Journey Checking Account to empower unbanked and under-banked individuals in our communities who are seeking a fresh start with a financial institution or entering the banking environment. A recent collaboration with Valley Bank and the **New Jersey Reentry Corporation (NJRC)** provided an opportunity to offer nearly 150 bank accounts to individuals reintegrating into society from prison, jail, or probation. This initiative helped set them up for success in their financial futures. Retail Market Managers have also gone the extra mile by conducting financial literacy courses for NJRC participants to equip them with the practical knowledge to effectively manage their finances.



Valley on the Job is another valuable service Retail Banking provides for our business customers. Valley On the Job is a financial wellness program designed for the employees of business customers that offers a complete package of financial services and tools to help those employees manage their daily affairs, as well as onsite and online learning opportunities to support long-term financial goals. Through this program, we're not only helping commercial customers to add tools to assist in retaining their workforce, but also provide their employees with financial education and helping to pave the way for their long-term success.

Supporting Affordable Housing

Community development advances people, places, and economies. Our Community Development efforts are focused on building and sustaining communities. Being a leader in community development lending is integral to fostering a culture of service and empowerment.

Coffee with a greater purpose



Ethan and the Bean, a unique coffee shop in Little Falls, New Jersey, is more than just a place for exceptional coffee. It's a

beacon of hope and opportunity for individuals with Intellectual and Developmental Disabilities (IDD).

Driven by her son Ethan's struggles to find work, Pamela Donovan, along with ten other women, launched Ethan and the Bean. Their mission is simple and heartfelt: to empower individuals with IDD through meaningful employment. This purpose resonated with Valley, and through our partnership, Ethan and the Bean opened their second location in retail space at our new Morristown headquarters. Our support extends beyond just providing space, as we also subsidize a portion of the operating expenses, allowing Ethan and the Bean to focus on its core mission.

Pamela's goal is to see society invest in training programs that increase job readiness for those with different abilities, ultimately decreasing the unemployment rate for this group.





Partnership with The Community Preservation Corporation (CPC)

In August 2022, we announced a new partnership with CPC to fund up to \$100 million in permanent loans that meet various ESG standards such as green building practices and reduced emissions. CPC and Valley are working to intentionally address the impacts of climate change through the mortgage process by incenting developers to reach further to meet ESG standards with a lower rate and higher leverage.

In August 2022, we closed our first ESG-linked loan through our new partnership with CPC. The \$1.9 million loan was provided to 1 Solstice Lane LLC in Geneva, New

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York through the CPC’s Sustainable Mortgage Program. 1 Solstice Lane is a 12-unit apartment complex which received numerous sustainable incentives from New York state programs. It has multiple electric vehicle charging stations, employs highly efficient heat pump systems for heating, cooling, and hot water, and has a rooftop solar array sized to cover all electricity used by the building making this project Net Zero Energy.

Regional Community Advisory Boards

In 2022, we remained steadfast in our commitment to engaging with our Regional Community Advisory Boards, comprised of partners that span across our local footprint. Our Advisory Board members provide invaluable insight into the needs of their communities.

Community Investments

In 2022, Valley had a community development investment portfolio over \$400 million. In 2023, Valley had a community development investment portfolio of approximately \$500 million. These investments advance affordable housing, economic development, revitalization/stabilization, and community services goals across the Bank’s communities.

Community Development Lending

We continue to respond to the credit needs of the communities we serve and provide support through community development lending. The lending supports the development and retention of affordable housing, economic development, the revitalization/stabilization of LMI areas, and organizations that provide community services for LMI individuals and families. In 2022, Valley originated over \$1.4 billion in community development loans.

Small Business Lending

Valley’s commitment to our local communities includes supporting economic development and small businesses. In both 2022 and 2023 combined, we made over 42,000 loans to small businesses in LMI communities.

Minority- and Women-Owned Business Lending

We sustain nonprofit relationships across our footprint to increase impact and target outreach through collaborations with community development financial institutions and other partners. A portion of this

outreach includes our support for minority- and women-owned businesses which helps us to make a positive impact on their ability to access economic opportunities. Valley's Community Lending department specializes in helping these businesses grow through access to capital, financial solutions, and financial literacy training.

Bank On Certification



Recognizing the need to deepen outreach to unbanked and under-banked individuals and provide safe access and affordable banking services, we developed a specialty checking account to align with "Bank On" national account standards. In 2022, we facilitated numerous presentations with non-profit organizations and their clients and performed community outreach to advance financial empowerment and promote critical access to the banking ecosystem for those individuals. These efforts have been effective in providing increased financial capacity benefiting LMI individuals and communities.

Project REACH

We're committed to providing fair and equal access and widespread availability to our banking products. In 2020, we were an early adopter of and joined Project REACH (Roundtable for Economic Access and Change), a program started by the Office of the Comptroller of the Currency (OCC). The program creates economic opportunities for minority communities by bringing together leaders from banking, business, technology, and national civil rights organizations to reduce specific barriers that prevent full, equal, and fair participation in the nation's economy.

Community Reinvestment Act

Valley received an Outstanding CRA rating from the OCC in late 2022 for its 2019 – 2021 CRA Exam, representing the second consecutive Outstanding CRA rating Valley Bank has received from the OCC. The Community Reinvestment Act requires banks to meet the credit needs of their entire communities, including the LMI neighborhoods in which it operates. Banks are measured by their level of lending, investment, and community service, which includes bank practices such as mortgage lending, small business lending, community development lending and investing, and services to communities, including employee volunteering.





Customer Experience

It is our responsibility as relationship bankers to give our customers a user experience that makes their banking smooth, safe, and easy. To ensure a seamless experience for all, our User Experience (UX) and Digital Banking teams develop and implement innovative models that improve processes, remove redundancies, effectively address issues, and deliver optimized services that meet our customers' needs.

We use technology and data-driven insights to enhance our offerings, apply new technologies, and provide our customers with a secure and advanced banking experience.

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We use technology and data-driven insights to enhance our offerings, apply new technologies, and provide our customers with a secure and advanced banking experience.

Our Digital Banking team is committed to enhancing our website, mobile apps, and online banking tools with the latest technologies to ensure our customers receive a seamless banking experience. With that in mind, Valley has developed the following initiatives to provide our customers with an optimal user experience.

Mobile Check Deposit Capture

Flexibility is key when it comes to providing a mobile banking experience that allows users to access and update their accounts at their leisure. Our Mobile Check Deposit feature allows customers to deposit checks anytime and anywhere.

Online Banking

In 2022, the Digital Banking team made a series of enhancements to our online banking platform for retail and business customers, allowing for easier bill payments and Zelle payments. The updates have also improved online chat support and real-time notifications, giving customers fast access to information about their accounts as it happens.

Digital Account Opening

Over the past year, we've greatly improved the way customers can sign up for our products and services. The launch of our digital account opening process for retail and business accounts made our services more accessible and allowed our customers to efficiently set up their accounts.

Project Evolve

Project Evolve is a new initiative designed to offer our retail and business customers more digital products, and streamline account openings in the branch, which will ultimately reduce the reliance on paper forms.

Accessibility

The customer experience is at the center of everything we do. From a digital standpoint, that means making sure the interfaces of our websites, apps, and digital tools are easy to use for people with visual impairments. Our UX Design Team uses high regulatory standards for our digital interfaces, ensuring our products and services can be accessed by everyone.

Customer Listening Programs

Feedback from our customers and our associates is

essential to making sure that we're providing everyone with a positive banking experience. Last year, we interviewed and surveyed more than 3,000 Valley customers to identify areas for improvement and have since deployed new technological advancements to ensure customer needs are being met.

Cannabis Banking

Over the past few years, Valley has become a leader in the cannabis banking industry, having become one of the few federally chartered banks onboarding cannabis business-related clients. We are proud to have developed an innovative banking model that allows this cash-dominant industry, which has been traditionally overlooked by financial institutions, to receive access to banking and investment capital.

Under Valley's cannabis banking program, clients can navigate complex crossborder operations through a software model developed by Valley partner Green Check. The software identifies where a transaction happened and consolidates multi-state transactions into a single banking statement, simplifying the tracking of purchases across states. The Bank has also cut transport fees—which pile up on multi-state operators—saving clients tens of thousands of dollars over time.

Not only has this type of innovation allowed these businesses to operate efficiently, but it has allowed this heavily taxed industry to generate revenue for local economies, create jobs in economically distressed communities, and open business opportunities for women, minorities, and social equity applicants.

Recently, the Bank has supported the New York Social Equity Cannabis Investment Fund, a public-private partnership with the Dormitory Authority of the State of New York (DASNY) that will position social equity entrepreneurs to succeed in New York's adult-use cannabis industry. The program is the first of its kind in the nation, reserving the first 150 adult-use cannabis retail licenses for nonprofits and social equity applicants under New York's Marijuana Regulation and Taxation Act (MRTA). The goal of this social equity driven program is to ensure that the people from communities that were disproportionately harmed by marijuana prohibition and discriminatory law enforcement are included in the new legal cannabis industry.



Women in Business

Created to support women at all stages of business, Valley's Women in Business (WIB) program fosters connections between members by hosting educational events that provide opportunities for growth, learning, and networking. In 2022 and 2023, we hosted 9 events and sponsored 40 community-based events in partnership with organizations including:

- Hackensack Area Chamber of Commerce's Women Empowering Women Conference
- Women of Color Connecting Summit's Institute of Entrepreneurial Leadership
- Latinas in Business' How Women Succeed in America Conference
- Birmingham Airport's Small Business Event
- William Paterson University's Career Outlook & Industry Networking Workshop
- Queens Women's Chamber of Commerce
- Women's Networking Wednesday at the Bristol
- Girl Scouts of America
- Junior League of Montgomery, Alabama
- Women United Rise & Shine Annual Fundraising Event
- Adelphi University – Professional Development
- YWCA of Northern New Jersey's Women's Leadership Conference
- Tea by the Sea (Palm Beach North Chamber Women in Business Council)
- New Jersey Small Business Development Corp at Kean University College of Business & Public Management
- New Jersey Small Business Development Corp at Fairleigh Dickinson University Go-GetHER Mentorship Event
- Women in Financial Services (WIFS)
- Morris County Chamber Women In Business event
- New Jersey Small Business Development Corp Veteran's Event at Fairleigh Dickinson University
- Philippine Independence Parade
- New York/New Jersey Gay Pride
- New Jersey State Hispanic Chamber of Commerce
- Union County Women Mean Business--Working Women's Summit 2023
- Leading Ladies of Alabama Girl Scouts

The WIB program is supported by 75 WIB Ambassadors – associates who engage with women's groups in their communities to ensure our WIB resources are accessible and comprehensive for business owners in each region. In 2022, we hosted a virtual learning event for our WIB Ambassadors titled "Speaking for Maximum Impact," which was designed to share best practices to improve public speaking and presentation.

Our support for women business owners also extends to financial products including our Women in Business Checking Account, which was designed to meet the unique needs of female entrepreneurs.

Governance

We are committed to our corporate governance practices, which we believe help us sustain our success and build long-term value for our shareholders. The Board oversees the Company'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 shareholders. Periodically, these governance practices are reviewed by senior management, legal counsel, and the Board.

Engagement

Our Board believes engagement with stakeholders enhances transparency and our perspectives and helps us to prioritize our goals. In this regard, management and the Chairs of our Compensation Committee, NGCS Committee, and Risk Committee proactively engage with our shareholders throughout the year in a variety of forums. Our interactions cover a broad range of business and governance topics, including strategy and execution, Board refreshment, executive compensation practices, risk oversight, sustainability, culture, and human capital. These exchanges with shareholders also provide us with a valuable understanding of our shareholders' perspectives and meaningful opportunities to share our views with them. Shareholder input is shared with the Board and the Board is provided with the opportunity to discuss and ask questions about shareholder feedback. Management also communicates to shareholders the Board's willingness to meet with them upon request.



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Our Board believes engagement with stakeholders enhances transparency and our perspectives and helps us to prioritize our goals.

We believe our regular engagements with our shareholders have been productive and provide an open exchange of ideas and perspectives for both the Company and its shareholders. A brief description of our shareholder engagement efforts in 2023 is outlined below.

Who We Engage

- Institutional shareholders
- Retail shareholders
- Analyst community

How We Communicate

- Annual Report
- Proxy Statement
- SEC filings
- Press releases
- Firm website
- Annual Corporate Social Responsibility Report
- Our ESG Report
- Investor presentations

How We Engage

- Quarterly earnings calls
- Investor conferences
- Annual shareholder meeting
- Shareholder Outreach Program
- Direct communication with investors

2023 Engagements

- Senior Management
 - had over 100 in-person or virtual meetings and calls with investors
 - attended 9 in-person or virtual conferences, and non-deal road shows
- Our CEO presented at Valley's 2022 and 2023 annual meeting

On sustainability matters, we welcome the views of an even broader range of stakeholders who serve as critical partners to the Company in identifying our key sustainability areas of impact. We regularly engage with these stakeholders to ensure that we understand their views and concerns. This diverse engagement is designed to ensure that we are prioritizing issues that are important to both our stakeholders and our long-term business success. For example, our CEO and senior executives engage with national consumer policy groups to discuss issues related to Valley's products, policies, customer-facing practices, communications, and public policy issues. We also 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.

The 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 associates. Senior management, including our CEO, holds virtual town halls with our associates on a regular and frequent basis.

The Board and senior leaders commit significant time to meeting with our regulators. Frequent interaction helps us learn firsthand from regulators about matters of importance to them and their expectations of us. It also gives the Board and management a forum for keeping our regulators well-informed about Valley's performance and business practices.

Shareholder Rights

Valley's Certificate of Incorporation and By-Laws provide shareholders with important rights, including:

- Majority voting for directors with resignation policy in uncontested elections.
- Shareholders continuously holding at least 25% of outstanding common stock for a period of at least one year may call a special meeting.
- No supermajority vote provisions for amendments to the Certificate of Incorporation or By-Laws or removing a director from office.
- No shareholder rights plan (commonly referred to as a "poison pill").
- Proxy access for shareholders holding 3% of outstanding common stock for three years.

Code of Conduct and Ethics, Anti-Fraud Policy, Non-Retaliation Policy, Anti-Discrimination, and Anti-Harassment

Valley maintains a Code of Conduct and Ethics (Code of Conduct) that sets forth the ethical principles and standards to which all Valley directors, officers, and employees should adhere in both their corporate and personal conduct. The Code of Conduct informs employees of their responsibilities regarding, among other things, conflicts of interest, the prohibition on trading on inside information, how to protect the confidentiality of both Valley and customer information, Valley's policy on gifts and entertainment from customers and vendors, and how to promote a work environment in which all employees and customers are treated with respect and decency.

The 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 associates.

Employees are required to speak up about misconduct and report suspected or known violations of the Code of Conduct, or any law or regulation applicable to Valley's business. We also maintain procedures regarding the review and treatment of employee-initiated complaints, including the proper escalation of suspected or known violations of the Code of Conduct, other Valley policy or the law. The Code of Conduct prohibits retaliation or discrimination against anyone who in good faith raises an issue or concern. We maintain an Escalation Committee consisting of four executive officers who receive and review reports of significant ethics complaints, other than those which may be immediately escalated to the Audit Committee.

Any known or suspected violations of the Code of Conduct can be reported to an employee's manager, the People Resources Department, the Ethics Officer, or the Audit Committee. Employees can also submit complaints anonymously through the Company's ethics hotline and website, which are hosted by a third party and are available 24 hours a day, 7 days a week.

Suspected violations of the Code of Conduct, other Valley policy or the law are investigated by Valley and may result in an employee being cleared of the suspected violation or receiving appropriate disciplinary action, including termination of employment, depending upon the facts and circumstances. The Ethics Officer reports quarterly to the Audit Committee on ethics complaints from all sources.



We also have an Anti-Fraud Policy that addresses the potential for fraud, what constitutes fraud and how to prevent or detect fraud. All associates are asked to review the Code of Conduct and the Anti-Fraud Policy on an annual basis and are required to participate in annual training on these policies.

Our different Board Committees, in conjunction with senior management, have implemented policies and procedures to protect the health and safety of our associates. These include:

- An ethics hotline for associates to disclose when they become aware of misconduct or other violations of our Code of Conduct. Associates are also encouraged to raise questions and concerns directly with their manager or someone in their division's reporting line with whom they feel comfortable talking.
- Our Non-Retaliation Policy for associates who report violations strictly prohibits discrimination or retaliation against individuals who: (i) make good faith reports of, or file a complaint with respect to known or suspected violations of the Code of Conduct, (ii) assist with investigations, (iii) oppose unlawful acts, or (iv) exercise any other right protected by law.
- Discrimination and harassment are not tolerated for any reason. This includes discrimination or harassment based on an individual's sex, race, ethnicity, national origin, age, religion, or any other legally protected characteristics.

Third Party Code of Conduct and Ethics

Suppliers, vendors, consultants, contractors, and other third parties working on behalf of Valley (third parties) are expected to have high standards of business conduct, integrity, and adherence to the law. The Company's Third Party Code of Conduct and Ethics (Third Party Code of Conduct) applies to our third parties and communicates our expectations on a range of issues, including our third parties' responsibility to comply with laws and regulations as well as Valley's obligations to its customers.

Board Leadership Structure and the Board's Role in Risk Oversight

Independent Oversight Structure and Independent Lead Director

The Board believes that an independent oversight function is the foundation of good corporate governance. Since 2014, when the Board first created the position, we have utilized an independent lead director to assure that the Board continuously has independent leadership. We understand that some companies utilize an independent chairperson and others, an independent lead director or presiding director. We also believe the structure of independent leadership should be examined regularly. To this end, the Board carefully considers on an annual basis the independent leadership structure of the Board and maintains a flexible policy regarding the issue of whether the position of Chairman should be held by an independent director.



The Board believes that an independent oversight function is the foundation of good corporate governance.

To provide strong independent Board leadership when the position of Chairman and CEO are held by the same person or the Chairman is not independent, the independent members of the Board will elect an independent director to serve as the independent lead director with the substantial leadership responsibilities, duties and authority summarized below. In 2022, an independent lead director of the Board was elected (the Independent Lead Director) and was most recently reelected to the role in April 2023. As provided in our Corporate Governance Guidelines, the Independent Lead Director, among other things:

- Has the responsibility to identify issues for Board consideration and assist in forming a consensus among directors;
- Has the authority to call meetings of independent directors and non-management directors (including meetings not in connection with regular Board meetings) and preside at all executive sessions of independent and non-management directors;
- Has the authority to retain outside advisors who report directly to the Board, with the prior approval of the Board;
- Establishes the agenda for all meetings and executive sessions of the independent directors and non-management directors, with input from other directors;
- Serves as a liaison between the CEO and the independent and non-management directors and assists the CEO and/ or Chair with establishing meeting agendas and meeting schedules and assuring sufficient time for discussion of agenda items; and
- Leads the independent director assessment of the CEO.

In addition to strong independent leadership of the full Board, each of the Audit Committee, NGCS Committee, and Compensation Committee is composed solely of independent directors. Independent directors, therefore, oversee critical, risk sensitive matters such as the quality and integrity of our financial statements; the compensation of our executive officers, including the CEO; the nomination of directors; and the evaluation of the Board, its committees and its members.



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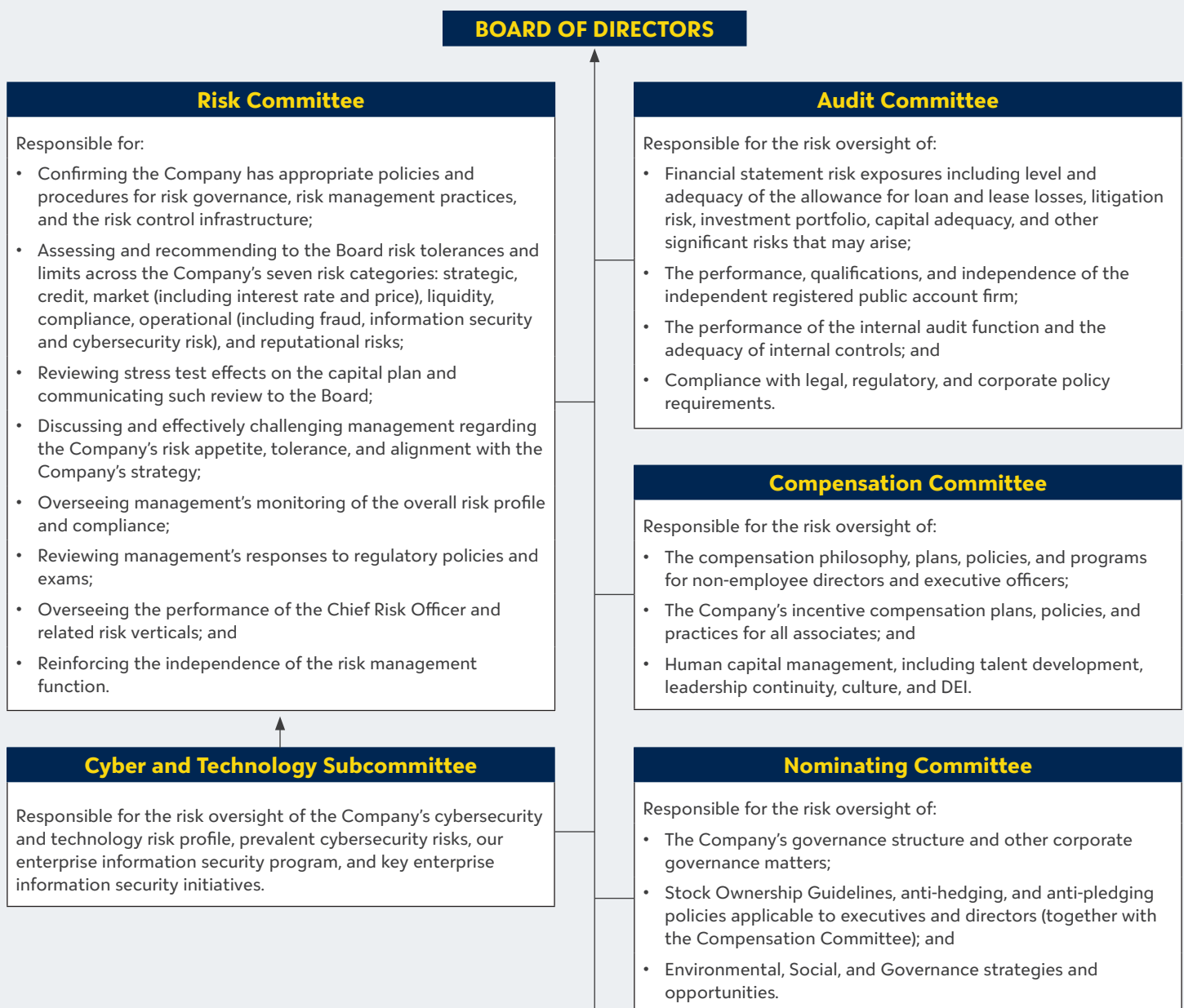
The Board believes that management of risk is important to the long-term success of the Company’s operations and business strategies.

Board’s Role in Risk Oversight

The Board believes that management of risk is important to the long-term success of the Company’s operations and business strategies. The Board has ultimate responsibility for overseeing the Company’s risk management and devotes significant attention to the oversight of risks inherent in our business. As part of its responsibility to ensure that the Company’s enterprise risk management program is implemented and operating effectively, the Board has approved an Enterprise Risk Management Policy and Program (ERM Program). The ERM Program establishes governance and risk management requirements intended to align with the Company’s strategic plan and that the Board has determined are appropriate for the Company’s capital, business activities, size, and risk appetite. The Board also, on an annual basis, approves the Risk Appetite Statement, which defines the level of exposure the Company is willing to assume in executing our strategic objectives.

The Board oversees, among other things, management's performance relative to the ERM Program and adherence to the Risk Appetite Statement and other risk-related metrics of the Company. While management, through the Executive Risk Committee, is responsible for defining the various risks facing our Company, risk management policies and procedures, and managing risk exposures on a day-to day-basis, the Board's responsibility is to oversee the Company's risk management process by informing itself about

material risks affecting the Company, evaluating whether management has reasonable risk management and control processes in place to address those material risks, holding senior management accountable for maintaining an effective ERM Program, providing credible challenge to management, and providing an effective reporting system to the Board. The Board performs this risk oversight function primarily through the following Committees:



The Audit Committee, Compensation Committee, and Risk Committee each have full access to management as well as the ability to engage advisors. Our Chief Risk Officer also provides regular reports to the Risk Committee. Each Committee reports to the full Board and works with all members of the Board to fulfill its risk oversight objectives. When appropriate, senior members of management are invited to attend Board meetings and are available to address questions or concerns raised by the Board on risk management and other matters.

Political Contribution Policy

Valley, like all national banks, is prohibited by law from making contributions to candidates in federal, state, and local elections. We apply the policy to our holding company and our subsidiaries. Valley does not contribute corporate funds to independent expenditure committees.

Valley belongs to national trade associations, state banking associations, and local chambers of commerce that represent the interests of both the financial services industry and the broader business community. These organizations work to represent the industry and advocate on major public policy issues of importance to Valley and the communities we serve.

Board Diversity

Our NGCS Committee reviews and selects candidates for nomination to our Board in accordance with its charter. The NGCS Committee reviews the Board's composition annually to determine whether directors' backgrounds and experiences align with our long-term corporate strategy and shareholders' values. It also seeks to identify diverse candidates possessing relevant and diverse qualities, skills, and background. The NGCS Committee recommends candidates to the Board, which approves nominees to be voted upon by our shareholders.

Diversity is one of the many factors that the NGCS Committee considers in identifying nominees for director. The NGCS Committee has not adopted a formal diversity policy regarding the selection of director nominees. In addition to gender and ethnic diversity, we seek to have a Board composed of directors with diverse backgrounds and experiences complimentary to Valley's business. To evaluate director candidates, the NGCS Committee considers a skills matrix that represents certain skills they have identified as valuable to the effective oversight and execution of Valley's business strategies.



Evidencing the Board's diversity efforts over the past seven years:

Our current CEO was appointed by the Board of Directors while in his

40s

the maximum age for joining the Board is generally age 65.

+10

New Directors

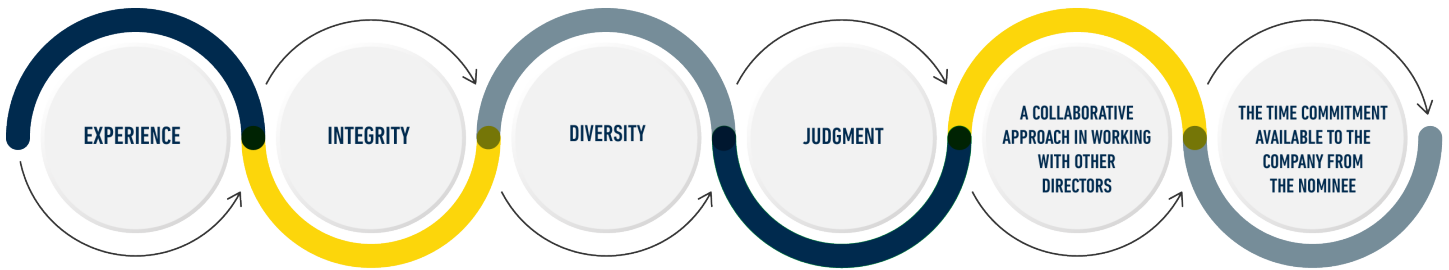
+4

Female Directors

+1

Ethnically Diverse Director

THE NGCS COMMITTEE FOCUSES ON THE FOLLOWING KEY FACTORS WHEN RECOMMENDING CANDIDATES:



In the last several years, the NGCS Committee has paid particular attention to board refreshment and believes that its recent actions demonstrate a continuing commitment to independence and oversight. Our Corporate Governance Guidelines specify that a director is eligible for re-election if the director has not attained age 76 before the date of the annual meeting.

While the NGCS Committee does not have a specific diversity policy and does not focus on any one qualifying factor more than the others, the NGCS Committee is committed to enhancing the diversity of our Board. The NGCS Committee believes that a balance of director diversity and tenure is a strategic asset to our investors. The range of our directors' tenure encompasses directors who have historic institutional knowledge of the Company and the competitive environment, complemented by newer directors with varied backgrounds and skills. The robustness of our refreshment strategy combines experience and continuity with new perspectives. It is of critical importance to the Company that the NGCS Committee recruit directors who help achieve the goal of a well-rounded, diverse Board that functions respectfully and effectively as a unit.

Cybersecurity and Data Privacy

As we look to embrace digital transformation initiatives, business outcomes become linked to technology areas like application development, cloud computing, and IoT devices. These technology assets must be protected to ensure continuity of business operations. Our Information Security team has developed and implemented a governance and policy structure that seeks data security while supplying a robust and scalable security architecture. This structure allows us to embrace current and emerging technologies to provide our customers with innovative services, while

maintaining a focus on the security of data for our Company, customers, and business partners.

Our cyber program seeks to make cybersecurity programmatic and cultural, while maintaining the principles of confidentiality, integrity, and availability of systems and data. The goal of our program is to provide secure access to Information and Systems for those who need it, while facilitating agility and innovation by reducing friction and time to market for products and services.

Our program includes a continuous improvement process, with the goal of retooling to meet current and emerging threats in the cyber landscape. This includes ongoing monitoring of vendors and partners to validate that Valley's systems and data are handled in an appropriate manner.

Cyber defense has become a communal endeavor. We are only as strong as our neighbors and partners. A major component of our cyber program is sharing and training our associates, customers, industry, and business partners on relevant cyber-related topics. This dissemination of threat information helps to improve our cyber defense and the community.

Our cyber program is externally audited for compliance with top information security standards and for added protection we have purchased an information security risk insurance policy.

Privacy

Our privacy team aligns business objectives and goals to achieve regulatory compliance and to maintain our brand and public trust. Participation and contributions are provided by a Privacy Committee made up of stakeholders from critical business units, the audit team,

and technical teams. Personally identifiable information that is collected and stored is done so in accordance with our privacy notices and industry standard privacy principles.

The privacy team has created an inventory of Personally Identifiable Information (PII) which includes data stored in existing internal and external repositories. A Privacy Impact Assessment program is in place to identify new sources of PII and ensures that relevant privacy controls and procedures are built into new systems following the Privacy by Design methodology. Privacy awareness training classes have been added to the annual core curriculum for all associates with extra, specialized training for high-risk department personnel such as Human Resources, Marketing, and Information Technology.

Security Incidents Involving PII

In 2021, there was a breach by a threat actor of a legacy network from a bank we acquired. The breach resulted in the unauthorized access of approximately 1,500 PII records stored on the legacy network. The legacy network was isolated from our network and operating systems, which were not affected by the incident. Procedures have been augmented to address similar vulnerabilities.

In 2023, one of our third-party service providers notified us that their systems were affected by a cybersecurity incident associated with a file transfer program called "MOVEit." After learning of the issue, we quickly launched an investigation to determine its nature and scope, including identifying the types of personal information that may have been included in the affected files. Once we completed our investigation, we issued a data breach notification letter to those customers whose information was compromised. Although this incident did not impact our own networks or systems and no deposit account or online banking information was included in the affected records, we offered identify monitoring and credit education services to all affected customers for two years.

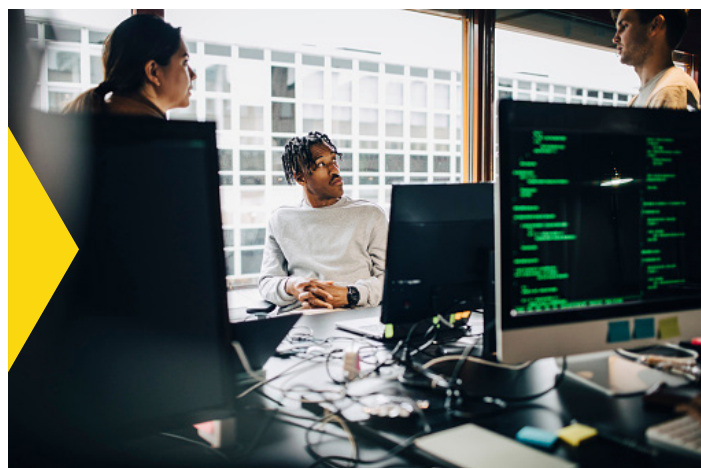
Over at least the last three years, our expenses incurred in connection with data breaches have been insignificant compared with our total revenues and we have not incurred any expense with respect to penalties and settlements.

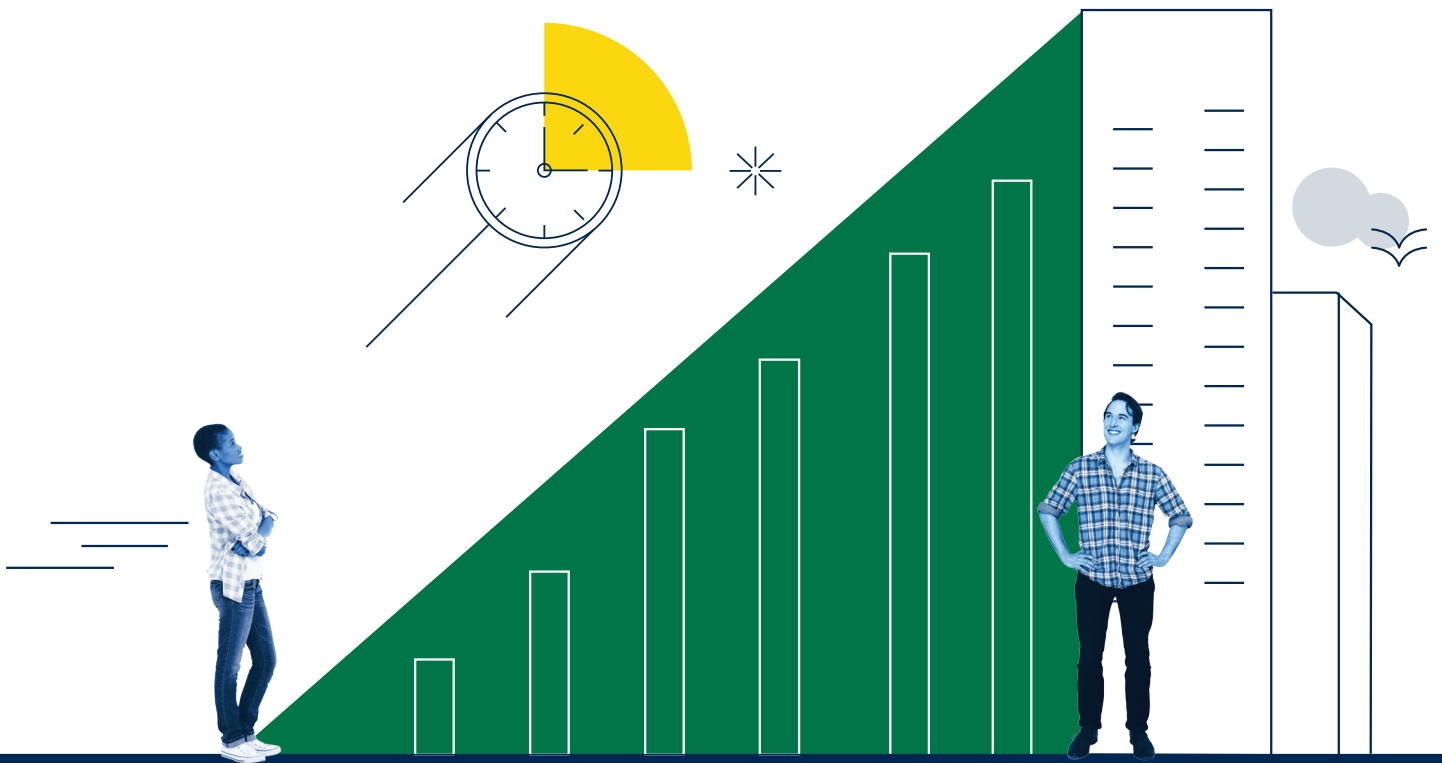
As set forth in our report, we have a Privacy Committee focused on compliance with data privacy and that Committee is staffed by experienced members of our technology, consumer and legal teams.

Legal Disclaimer

We have prepared the information in this Report to provide a general overview of our ESG activities. It is for informational purposes and is not intended to be relied on to make any investment decisions. It is neither an offer to sell nor a solicitation of an offer to buy any securities or products from Valley National Bancorp, Valley National Bank or its subsidiaries or affiliates. This Report covers our owned or operated businesses and does not address the performance of our suppliers, contractors, or partners. The information in this Report is a summary and is not a complete description of all our activities; we have made qualitative judgments as to which information to include. Because there are many aspects to ESG and our Company, the information in the Report could be viewed as incomplete and thereby inaccurate. We did not employ any third-party firm to audit this Report.

As used in this Report, the terms "Valley," "Company," "our," "we," and "us" may refer to one or more of our subsidiaries or to all of them taken as a whole. All these terms are used for convenience and are not intended as a precise description of any of the separate entities.





Forward-looking Statements

This Report contains forward-looking statements relating to the manner in which we intend to conduct our activities based on our current plans and expectations. These statements are not promises of our future conduct or policy and are subject to a variety of factors and uncertainties, many of which are beyond our control, including the risk factors listed from time to time in reports that we file with the Securities and Exchange Commission (the “SEC”), including, but not limited to, our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 29, 2024. Therefore, the conduct of our activities, including the development, implementation or continuation of any program, policy or initiative discussed in this Report, may differ materially in the future. The statements of intention in this Report speak only as of the date of this Report. We do not undertake to update any such statements in this Report.

