



The Premier Community Commercial Bank on Greater Long Island

Environmental
Social and
Governance Report

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A Letter from our Leadership



Kevin O'Connor
CEO



Stuart Lubow
President & COO

It is with great pleasure that we present Dime Community Bank's inaugural Environmental, Social and Governance (ESG) Report. We believe it is of utmost importance to share the fundamental values that inform our daily operating approach, as well as our passion for serving our customers and our diversified markets. As an established community ally for over 155 years, from the cultural hubs of the New York City Boroughs to the farming communities on Long Island's East End, we are committed to actions that contribute to positive and sustainable results for all members of the markets we serve and the dedicated workforce on which we rely.

Trust through Integrity

As an organization, we have high expectations for ourselves regarding both financial performance and corporate citizenship. For this reason, we remain steadfast in our commitment to our core values of fostering a corporate culture of teamwork, inclusion, and trust by maintaining integrity in our day-to-day operations. We are of the firm belief that excellence starts from within, and an engaged and motivated workforce guided by strong core values brings a caring and passionate approach to each customer interaction, ultimately leading to strong, trusting relationships and vibrant communities. Operating with integrity is what has helped us achieve success over the last century and a half and will continue to be the anchor for our success in achieving the high expectations we have for ourselves into the future.

Delivering Results

Our philosophy of driving excellence from within through integrity is highlighted by the positive impact we have had on the communities we serve. Since 2020, Dime has invested over **\$180 million** in community development projects and grants and believes we are a key part of the fabric of our footprint. Importantly, in early 2022 Dime's Community Reinvestment Act ("CRA") rating was upgraded to outstanding; the highest achievable mark, and an achievement of which we are proud.

We sincerely thank you for taking the time to read this report, and we hope to convey Dime's commitment to our customers, our communities, and our workforce.



OUR Mission

To be the most trusted financial institution by maintaining and nurturing relationships in the diverse communities we serve.



OUR Vision

We will be the leading community bank by partnering and building trusted relationships with our colleagues and customers to provide solutions that deliver financial success.



OUR Purpose

We are passionate and empowered to help our customers achieve success.



OUR Values

- INTEGRITY
- EXCELLENCE
- INCLUSION
- TEAMWORK
- INNOVATION
- PASSION
- RESPECT

About Dime Our Story

The Dime Savings Bank of Williamsburgh was founded approximately 6 months after President Lincoln delivers Gettysburg Address, and approximately 1 year before the US is reunited after the Civil War

The Bridgehampton National Bank was incorporated in the same week the Boy Scouts of America is incorporated by W.D. Boyce

Dime Community Bank and BNB Bank complete a Merger of Equals amidst the COVID-19 pandemic and combine to extend almost \$2 billion of Paycheck Protection Program loans to customers and businesses in need



Our Organization



Dime Community Bancshares, Inc. is the holding company for Dime Community Bank, a \$13 billion financial institution headquartered in Hauppauge, NY serving the financial needs of many diverse communities throughout Long Island and the Greater New York City area. The Bank offers a full suite of deposit, lending, and treasury management solutions to both commercial and consumer clients with a thoughtful, customer/community-first approach to decision-making by local decision-makers. Additionally, the Bank has been recognized as an SBA-Preferred Lender and received high praise for its swift and effective response in deploying approximately \$2 billion in PPP loans amidst the COVID-19 Pandemic.

1 Greater Long Island defined as Kings, Queens, Nassau, and Suffolk Counties.
 2 Community Banks defined as banks with assets less than \$20 billion.



Social Commitment – Our Employees

At Dime, we believe investment in our people is a key first step to building meaningful, lasting relationships that facilitate success for our customers and communities. Over the course of 2022, Team Dime has seen **107 employee promotions, and 33 employee transfers** across all levels of employment and lines of business. We view this as a strong representation of the tangible opportunities provided to our employee base in developing their careers and deepening their roots as passionate community bankers eager to leave a positive mark across our footprint. We are incredibly proud of our talented, culturally diverse workforce and the devotion they have shown towards serving the communities in which they live and work.

Employee Culture

Promoting employee camaraderie is a paramount objective of management, especially given the Bank’s wide operating footprint across all of Long Island and the Greater NYC area. **DimeConnect**, our internal employee intranet, is a wonderful way to drive the spirit of teamwork and a positive corporate culture. As a central hub for communication and opportunities for all employees, DimeConnect offers a variety of tools. A “Kudos” Board encourages employees to submit Kudos to their co-workers as a show of appreciation and recognition for exemplary work behaviors. These accomplishments are broadcast to the rest of the employee network through the DimeConnect hub. In 2022, Dime established a number of **Affinity Groups** based on employee feedback. The Affinity Groups at Dime provide employees with a valuable space to connect and discuss opportunities, challenges and solutions. As of this report, the Women’s Affinity Group and the African American and Caribbean Groups have both launched, with more on the horizon.

In 2022 we formed a **Dime Spirit Committee** designed to enhance employee engagement, offer employees the opportunity to share and collaborate on ways to bring colleagues

together and focus on strengthening the overall employee experience. Members work towards improving communication across work teams, promoting collaboration to establish a stronger company culture, celebrating successes, and incentivizing hard-working employees, and improving productivity while supporting innovation. It is essential for Dime employees to feel valued, and the Spirit Committee offers a way for all voices to be heard, while ensuring employees feel connected, appreciated, and fulfilled in the workplace environment.

In 2022, a **Diversity & Inclusion Committee** was established. The committee will be providing periodic reports to Dime’s Board of Directors. There is also a dedicated Diversity & Inclusion site on DimeConnect promoting these core values and providing a space for Dime employees highlighting the variety of programs and opportunities centered around Dime’s goal of strengthening diversity, inclusion, and belonging in our communities.

In an effort to thank employees for their outstanding and tenured service, Dime grants an additional week of Paid Time Off based on eligible milestone **work anniversaries** starting with 10 years of service and in additional 5-year increments.



Education



Development



Mentors

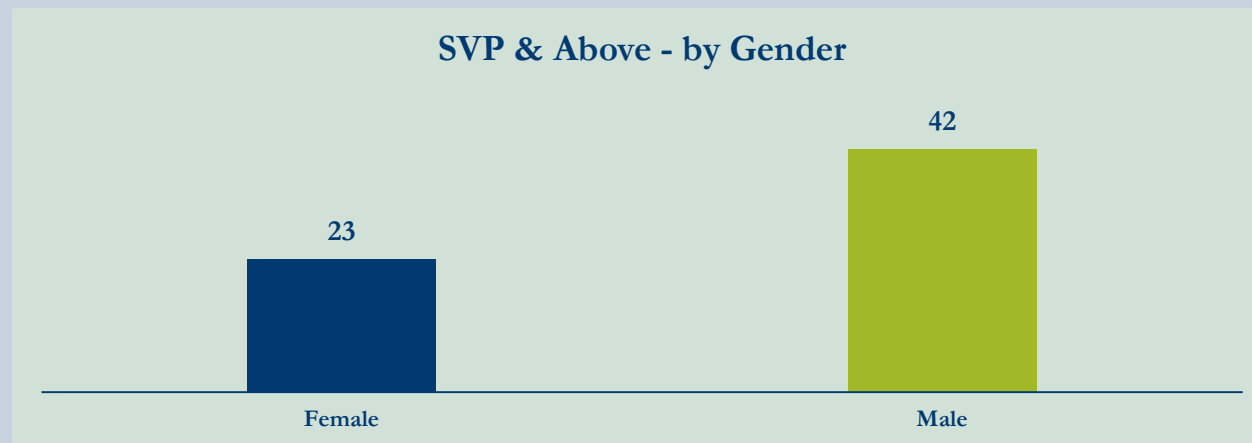
❖ Total Workforce over 60% Female

❖ Senior Leadership over 35% Female

❖ Highly Multi-Cultural Workforce based on recent employee census

- 58% White
- 18% Hispanic/Latino
- 7 % Asian
- 7% Black/African American
- 5% Pacific Islander
- 5% Multi-Racial/Other

SVP & Above - by Gender



Social Commitment – Our Employees

Meet Dime’s African American & Caribbean Affinity Group Leadership



Anthony Wilson
VP, Branch Manager, Group
Chair



Glenore Anderson
VP, Branch Manager, Group Vice
Chair



Leroy Quilter
Director of Digital Lending,
Group Finance Committee



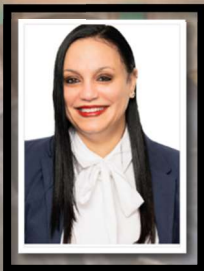
Kendro Benjamin
SBA Bus. Dev. Officer, Group
Recruitment



Samuel Sooknandan
Private Bkg Ops Mgr., Group
Secretary



Eunice Santino
VP, Branch Manager, Group
Operations



Sophia Sutton
VP, Branch Manager, Group
Events



Mervin Blackmore
Sr. Auditor, Group Events



Tara Nargen
Private Bkg Asst. Ops Mgr.,
Group Recruitment

Group Focus & Mission

Dime’s African American and Caribbean (“AA&C”) Group was established in October 2022. Group leadership strives to bring cultural awareness and inclusivity through education, development, and mentoring. This can be accomplished by partnering with key departments and groups to continue to attract and retain more diverse, talented bankers while staying true to the Group’s core principles of Education, Development, and Mentorship.

The AA&C team has already made a positive impact on the Bank and the Community by partnering with both Habitat for Humanity of Long Island on a home build and with Junior Achievement of New York to educate 5th grade students in the Uniondale, NY school district on financial literacy and its importance.

As an organization, Dime is extraordinarily proud of the immediate positive impact the AA&C Affinity Group has had in just a few short months and looks forward to the group’s continued success in working towards a more inclusive workplace by manifesting the power of the many diverse communities we serve.



Social Commitment – Our Employees

Employee Development

Dime is committed to offering our employees a variety of opportunities to enhance their skills, develop their knowledge, and expand their professional capacities. It is important to the future of the Bank that we invest in our employees' growth as it will enable us to continue to make a lasting impact in our community. It is integral that we support and have systems in place to allow our employees the opportunity to pursue higher education. In addition to providing ongoing training sessions and enrolling participants in an array of seminars, the Bank offers an Educational Assistance Program that allows employees to apply for tuition assistance.

With respect to higher education, Dime has a long-standing partnership with the American Bankers Association Stonier Graduate School of Banking with several employees having completed the 3-year curriculum and graduating over the last year. Additionally, Dime recently partnered with an employee education service to allow employees and immediate family members of the Bank access to their curriculums while qualifying for a significant tuition discount.



Employee Training

Dime management and employees always express significant interest in pursuing opportunities that relate to training and expanding on a variety of financial, communication, and technical skills. It is essential that our workforce is up to date with the latest advancements and developments in the finance industry. Importantly, Dime requires all employees to complete mandatory training in relation to state and federal policy compliance.

Resource Hub: Launched in 2022, Dime has implemented a new knowledge sharing tool designed to make content accessible throughout the company. This innovative hub is a centralized knowledge management system that allows for collaboration, engagement, and information sharing. All company policies and procedures, processes, and informative resources including weekly and monthly digests are now centralized in one location for quick and easy access.

This application has a Google-like search engine with deep indexing capabilities making information easily searchable.

Learning Management System: Dime has partnered with a leading provider of employee training as the company's Learning Management System (LMS) that catalogs all state and federal compliance courses. All annual regulatory requirements are assigned to employees through this application, which also maintains all training history. Also included is a professional series catalog with soft skill offerings that are available via self-registration.

Skill-Based Training: In order to provide up-to-date service to our community, Dime has invested in our teams, offering a wide set of training opportunities for employees to hone their skills. At Dime, the training department offers in-person and virtual training for platform, teller, supervisor, refreshers, wire transfer, and additional ad-hoc courses as requested by management and employees.

Talent Acquisition

In order to continue growing as a company, Dime has made a concerted effort to acquire new talent who offer innovative and fresh ideas to our existing teams. Management is always looking to promote from within. We have established robust internship and employee referral programs, which present the opportunity for Dime to reach out to a wide variety of demographics.

Internship Program: Dime recently enhanced our summer internship program that has evolved over the last few years, focusing on local colleges and universities with the goal of local graduates returning to start full-time careers at Dime once completing their studies. During the recruitment process for the program, we look for diverse candidates with interest in banking related functions, ranging from finance, to credit, to operations.

From 2020 to 2022, Dime has hosted over 50 interns across a variety of areas throughout the Bank.

Employee Referral Program: This program offers a great way to ensure that Dime's workforce will continue to grow with hardworking and innovative employees by leveraging an existing employee referral program, which allows us to find high quality candidates to add to our team. Dime offers a referral program to employees based on the type of position filled.



Below: Dime's 2022 Intern class with CEO Kevin O'Connor & President & COO Stuart Lubow



81 Bank-Sponsored Professional Certifications Across Multiple Areas

- ❖ Notary Public (Retail Network)
- ❖ Finance
- ❖ Audit
- ❖ Human Resources
- ❖ Information Security
- ❖ Compliance/BSA & Risk Mgmt.

107 Employee Promotions in 2022 Over 10% of total workforce

33 Employees Seeking New Opportunities via Transfer in 2022

Over 1,600 Resource Hub Contributions

87 Learning Management Curriculums Assigned to Our Dime Workforce

Skill-Based Employee Training Highlights

- ❖ 10 Course Offerings
- ❖ 111 Sessions
- ❖ 225 Attendees



Social Commitment – Our Employees

Employee Benefits

Management is a proponent of ensuring Dime employees are offered a strong benefits package and employee perks.

401(k) Retirement Plan: Dime’s retirement plan includes retirement savings through an employer matching 401(k) savings program. Dime employees can utilize an online portal which allows control over retirement savings and provides a wide variety of investments and benefits catered to individualized investment strategies.

Employee Stock Purchase Plan (ESPP): Dime employees are provided the opportunity to purchase company stock at 95% of fair market value via employee-defined after-tax payroll deductions.

Employee Credit Card Offer: Dime offers employees the opportunity to take advantage of highly competitive credit card offerings.

Housing Assistance: Dime’s Employee Discount for Residential Loans Program is open to all full-time employees. Eligible employees can participate in a discount program for certain mortgage loans, offering benefits in a time of homeownership uncertainty. Additionally, Dime’s Advantage Program allows employees to receive a rebate after closing on the purchase or sale of a home.

Tickets At Work Partnership: Dime is fortunate to be able to provide our employees with discounts to leisure activities in the entertainment and hospitality industries. Dime employees are offered discounts to hotels, movies, Broadway shows, and musical performances which have been possible thanks in part to Dime’s new partnership with **UBS Arena**.

Additionally, management hosts employee appreciation events at UBS arena during different sporting or concert events.

Healthcare Benefits: Dime offers employees a variety of competitive health care benefit packages. In addition, we offer an Employee Assistant Program (EAP). This program offers confidential counseling from professionals designed to help employees struggling with a wide range of health, mental, financial, and social issues in either their work or home life. The EAP can help employees manage workplace stress and responsibilities, managing relationships with coworkers and establishing a plan for professional development, among other issues impacting their job performance and overall wellness.



Health & Safety Protocols

As an organization, we treat our employee’s health, safety, and wellness with great sincerity. The COVID-19 Pandemic had a meaningful impact on the communities we serve, including the employees at Dime. As an essential business, Dime branches remained open throughout the pandemic and we were able to provide our full range of services to our community. The COVID Resource Center on the DimeConnect hub was used to keep employees informed with all updates to protocols, mandates, and integral announcements from the World Health Organization (WHO) as it pertained to COVID-19. During the Pandemic, Dime enacted confidential daily health attestations through a mobile application for all employees. Monitored by the Human Resources department, this health attestation was used to track the spread of COVID-19 and alert employees if they were recently in contact with an employee that was exposed to COVID-19. Additional measures taken by the Bank included encouraging social distancing while in the office and increased cleaning protocols such as hiring porters to sanitize commonly touched surfaces throughout the day.

Health and Wellness: Even before the rise of COVID-19, the health and wellness of our employees was a top priority. We are keenly focused on providing our employees a healthy work-life balance, flexible work hours, wellness programs, and mental health awareness. In March of 2022, we launched a wellness program titled **Healthier Together** to encourage employees to take an active role in building a balanced wellness foundation to strive for a healthier community together. On a monthly basis, Healthier Together has different themes to help promote a variety of wellness topics including mental health, nutrition, and heart health. In tandem with Healthier Together, all employees have access to a wellness app, a virtual fitness, nutrition, and mindfulness program.

Since the beginning of the Pandemic, **remote working** has become a popular change to the workplace environment, offering employees a more comfortable and flexible lifestyle. Dime continues to implement a hybrid work schedule that allows corporate employees to work two days a week from home. A related benefit of the hybrid work schedule is the positive environmental impact as less employees in the office results in less emissions.



Dime employees celebrate Dime Day at UBS Arena April 2022



Social Commitment – Our Communities

“Dime has been a dear friend during the Pandemic. By serving as a correspondent bank for Community Development Financial Institutions, we were able to unlock \$27 million in PPP loans to diverse small businesses. Dime’s investment in the NY Loan Forward Program has also helped us make \$7.5 million in new loans to small businesses recovering from the Pandemic.”

– Paul Quintero
CEO of Ascendus, a well-known CDFI in New York specializing in loans to minority and women-owned businesses.

“The volunteers you provide to facilitate our programs are a pleasure to work with and always provide an impactful learning experience to our students. We continue to receive nothing but positive feedback from our schools regarding your volunteers. They are knowledgeable, dedicated, and caring.”

– Junior Achievement of New York, a leading financial education volunteer organization.

For over 155 years, Dime has proudly built its business around being a trusted community partner. Our consistent dedication to the betterment of our customers and communities has made us a reputable, recognizable, and reliable source for sound business solutions, access to capital, impactful community investment, and active volunteerism. As a group, Dime employees are eager and excited to put their banking knowledge and expertise towards making a positive impact and are happy to volunteer time and effort to the communities in which they live and work.

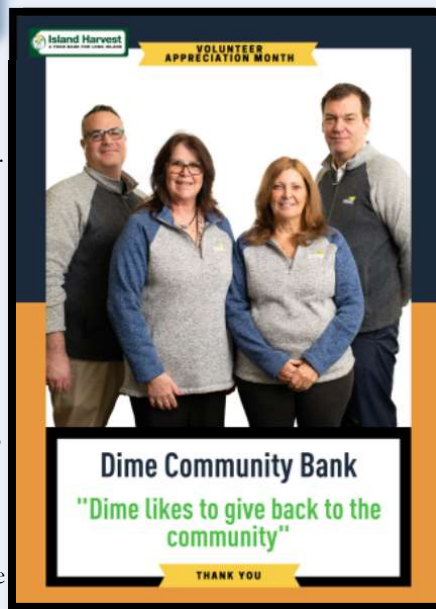
Pandemic Response

The COVID-19 Pandemic had a tremendous impact on the local economy, families, and community. Through quick action and tireless work from employees, Dime stepped up and met the credit needs of our communities.

As a result of our strong balance sheet and capital position, Dime continued to make traditional small business loans, continued to grow its residential lending portfolio, and maintained strong performance in community development lending.

Dime’s commitment to its communities was evidenced best in its production of Paycheck Protection Program (“PPP”) loans. Applying an “all hands-on deck” approach, Dime was able to facilitate **\$1.9 billion** in PPP loans over 3 separate rounds of funding with assistance from employees across the entire organization. This ability to provide such a high level of assistance for the betterment of Dime’s communities, made possible by the dedication of all employees to their customers, is amongst management’s proudest achievements as an organization.

Amongst Dime’s key initiatives to help the flow of capital to underserved small businesses include participation in the New York Forward Loan Program, aimed at helping NYS small businesses, non-profits, and landlords after they reopened following the COVID-19 outbreak. 75% of the New York Forward loans were made to women and minority owned business.



Dime was one of the few banks in NY state to participate as a correspondent bank for the Federal Reserve’s Paycheck Protection Program Liquidity Facility, which enabled multiple CDFIs to make PPP loans. Participation in this program allowed Dime to serve as a correspondent bank for a number of NY-based CDFIs that specialize in lending to women and minority owned businesses.

Community Reinvestment & Volunteerism

Dime has an internal goal of investing at least 10% of Tier-1 Capital in CRA Qualified Investments. As of December 31, 2022, CRA Qualified Investments represented 18% of Tier 1 Capital. Our Securities Investment Policy was recently updated to allow the Bank to actively consider investment opportunities that qualify as CRA investments and/or further the Bank’s Environmental Social and Governance initiatives (i.e. investments where use of proceeds is for environmentally-friendly or sustainability-related initiatives, or that have a social component such as advancement of affordable housing).

Beyond providing access to capital, Dime employees spend a significant amount of time volunteering for various local causes. Throughout 2021 and 2022, **175 Dime employee volunteers** assisted in the aggregation and distribution of food to local food banks in partnership with Island Harvest. The efforts of approximately **100 Dime volunteers** were dedicated to our Habitat for Humanity partnership assisting in home builds for first-time homebuyers throughout 2021 & 2022.

2022 Outstanding CRA Rating

\$1.9 Billion

in PPP loan assistance over ~10,000 loans



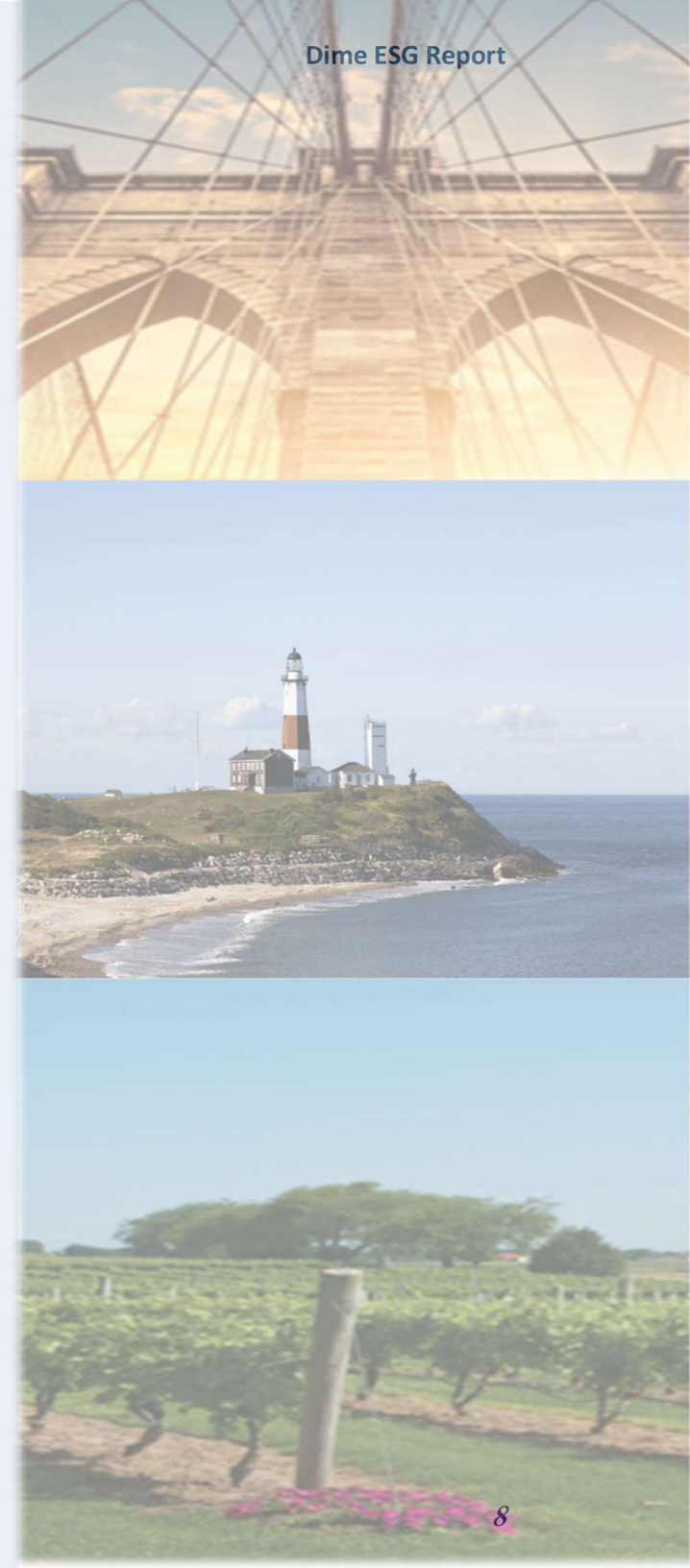
175 Dime

Employee Volunteers during Pandemic Relief effort



\$1.25 Billion

across 350+ Community Development loans.



Social Commitment – Our Communities

Community Service

Team Dime strives for the highest level of community involvement. During Dime’s most recent CRA exam, the Federal Reserve Bank of New York noted that Dime was a “**leader in providing community development services.**” Over the course of the examination, Dime helped conduct over 150 seminars in partnership with local non-profits covering Financial Literacy, Home Ownership, Small Business, and Workforce Development. Over 70 bank officers serve or served on the boards of local non-profits with missions ranging from fighting hunger, developing small businesses, childrens services, and affordable housing. Some of Dime’s major community partners include Island Harvest, Habitat for Humanity, Junior Achievement of New York, and the American Heart Association, amongst many others.

Dime also makes it a point to raise donations each holiday season for those in need. These donations by Dime employees range from food for Thanksgiving baskets (donated to local food pantries) to toys for children through Toys for Tots. We believe this is a simple and impactful way to spread holiday joy and help provide a happy and memorable holiday to those in need.



Examples of CRA Qualified Investments (2021-2022)

- ❖ A **\$10MM** investment supporting affordable housing in the Bronx
- ❖ A **\$10MM** investment supporting affordable housing in Chelsea, Manhattan
- ❖ **\$16mm** over 2 investments supporting affordable housing in Brooklyn and the Bronx
- ❖ A **\$7.5MM** investment supporting affordable housing in Chinatown, Manhattan

Community Lending

An essential aspect of building a connection with the community we serve is providing capital through our employees and branches. Since 2020, we have made over **350 community development loans totaling over \$1.25 billion**, helping to spur and preserve affordable housing, economic revitalization, and job creation. Dime is a leading multi-family lender for affordable housing in New York City and on Long Island. Below are several highlights of Dime’s commitment to strengthen the backbone of our communities:

- ❖ A **\$22MM** multi-family loan supporting affordable housing in Hampton Bays, NY
- ❖ A **\$19MM** multi-family loan supporting affordable housing in the Bronx
- ❖ A **\$17.5MM** multi-family loan supporting affordable housing in Babylon, NY
- ❖ A **\$14.5MM** multi-family loan supporting affordable housing in Queens, NY
- ❖ A **\$13.5MM** commercial real estate loan supporting revitalization and stabilization in Central Islip, NY

Grants

Dime focuses on supporting a range of non-profits engaged in community development with grants across Long Island and NYC, consistent with pressing community needs. These core areas of development in our community include affordable housing, small business development (including access to capital for women and minority owned businesses), financial education, and community services that pertain to low-to-moderate income communities.



Thanksgiving Baskets prepared and donated by the employees of Dime for Thanksgiving 2022

CRA Exam

Dime received an overall “Outstanding” CRA rating from the Federal Reserve Bank of New York (FRBNY) for the exam in January 2022. The CRA requires banks to help meet the credit needs of the communities in which they operate including LMI neighborhoods. The exam referenced multiple achievements in the CRA evaluation of Dime, emphasizing “Outstanding” lending and service performance. In its review of Dime, FRBNY highlighted that the Bank is a leader in making community development loans, using innovative & flexible lending practices to meet credit needs and gave additional weight to Dime’s CRA loans during the COVID-19

pandemic due to the acute credit needs of businesses. FRBNY praised Dime for originating PPP loans designed to provide a direct incentive to small businesses adversely affected by the COVID-19 pandemic in retaining their workforce on the payroll. Additionally, FRBNY stressed the importance of Dime’s ability to implement significant use of complex investments to support community development.



“A leader in providing community development services”

Social Commitment – Our Communities

Access to Capital

Residential Lending: As a community banking institution, we believe in providing equitable access to financial opportunities and resources through capital deployment and other banking services. The New York City boroughs and Long Island are generally regarded as a market area presenting challenges with respect to affordability especially as it pertains to first time homebuyers. Equipped with an experienced and deeply local team of mortgage specialists, Dime has been able to guide homebuyers through the buying process with strong results. From 2021 - 2022, Dime issued **130 mortgages** in LMI communities to customers, many of which were first time homebuyers. In a continued effort to provide community members with the credit relief they require, Dime has integrated a robust mortgage program, backed by a strong product set for first time homebuyers that includes Fannie Mae HomeReady and SONYMA. Additionally, Dime has created a \$5,500 Lender Credit for LMI Borrowers to offer alternatives to those struggling with affordability. Dime has also partnered with the Federal Home Loan Bank of New York to offer grants to income qualified first time homebuyers. Dime is proud to support and partner with over a dozen non-profits that strive to promote affordable housing, whether this means preparing families for the process of purchasing their first home or helping keep our community members impacted by the Pandemic in their homes.

Small Business Lending: It is important for a community bank to be responsive to local businesses of all shapes and sizes. With a diverse and experienced team of business and branch bankers, Dime has consistently been a high performer in our markets when it comes to small business lending. By taking quick action and relying on our experienced team, Dime was recognized as a leading SBA 7a and 504 lender in the trade area. SBA products help reach start-up businesses and provide entrepreneurs vital capital to get their ventures off the ground.

Small business development is one of the key pillars of Dime’s commitment to the community. Approximately 30% of Dime’s CRA grants are prioritized towards supporting non-profits that work with predominately women and minority entrepreneurs in providing free business counseling and strategic advice to help start and grow a business. Dime also has robust partnerships with CDFIs that specialize in lending to diverse entrepreneurs, often those who are just starting their businesses.

In 2021, Dime implemented a new small business digital lending platform allowing the Bank to reach a larger percentage of small businesses, with loans as small as \$25,000. In 2022, Dime originated over 500 loans via our new digital lending platform representing **\$40.5 million** of funds.

Key Partnerships – Access to Capital

In providing important and necessary funding across all areas of our communities, Dime relies on key partners that help us pave the way by providing fair access to capital.

Dime has a long-standing partnership with NYC-based CDFI **Accompany Capital**, an organization that specializes in making microloans to diverse businesses. Dime has partnered with this organization to deliver workshops related to financing access, social media strategy and bookkeeping. When the Pandemic hit, Dime also worked with Accompany Capital to award \$5,000 grants to impacted small businesses to help them keep their doors open.

Dime partners with the **Urban League of Long Island** to reach women and minority-owned businesses impacted by the Pandemic and provide recovery grants of \$5,000. Dime has distributed a total of \$250,000 in grants to COVID-19 impacted small businesses in NYC & Long Island.

Dime is a long-time leading sponsor of the **Brooklyn PowerUP! Business Plan Competition** in partnership with the **Brooklyn Public Library**. This competition helps start-up small businesses access



(Left) Terrart NYC, first prize winners of PowerUp

technical assistance and competitive grant funding. In addition to an annual \$50,000 grant contribution, **Team Dime** employees serve as judges and reviewers for the business plans and pitches. In 2022, there were over 300 applications to participate in the program, 67% were women and 69% were African American. Dime is also a long-term lead supporter of the **1010 WINS Small Business Challenge** that gives start-up small businesses in New York City and Long Island a chance to pitch their business and win \$10,000. Dime joins local business lenders to serve as one of several judges for each competition broadcast on WINS.



Sunni Prabasi, owner of Buuni Coffee in Washington Heights, won a \$5,000 grant that she used to boost their on-line delivery platform on their website.

Dime bankers also provide coaching to the finalists to help hone their business pitch. In addition to the prize money, the competition gives tremendous exposure to local businesses and spotlights the small businesses that are a vital part of the neighborhoods we serve.



“Dime’s ongoing support for PowerUP! ensures that entrepreneurs and small businesses have access to the training, resources, and capital they need to help Brooklyn recover and continue to thrive. Dime’s continuing generosity as Lead Sponsor is more important than ever.”

– Brooklyn Public Library 10

Social Commitment – Our Communities

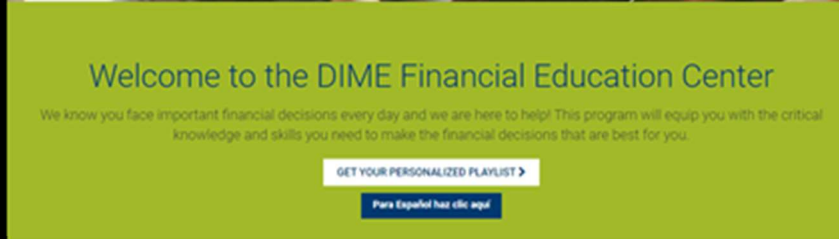
Financial Literacy

It is important that we are proactive in providing our customers and communities with the tools necessary to enhance their financial knowledge and make sound financial decisions for a better future. To this end, Dime has forged several key partnerships to ensure our customer base and markets we serve receive accurate, timely, and robust information.

Junior Achievement: Dime partners with Junior Achievement to directly provide financial education to fourteen predominately low-income elementary and middle schools. Throughout 2021-2022, **Fifty-eight Dime volunteers** have helped bring Junior Achievement’s curriculum to **920 students in 48 classes**. Based on student age, topics taught range from the basics of money and financial management to curriculums about entrepreneurship and small business start-up.

Digital Financial Education: Dime has partnered with a leading provider of digital financial education to assist in providing financial literacy instruction in LMI schools in New York City and Long Island. In the last three years, this partnership has allowed the program to **reach over 3,000 students in 30 schools**. Two-thirds of students reached are Hispanic, and a quarter are African American. Dime has further utilized this curriculum on the **Dime Financial Education Center** on our company website giving customers, new homeowners, and small business owners access to customized learning relevant to their financial needs and goals.

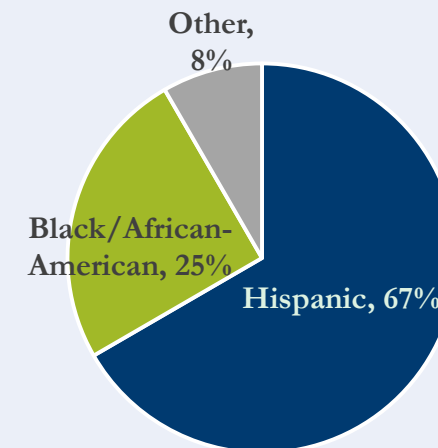
Long Island Racial Equity Funders Collaborative: Dime is a founding member of the Steering Committee of the Collaborative, created to help address the growing racial equity gap on Long Island. The Steering Committee helps shape the initiative, which has successfully made over a dozen grants to Black-led organizations striving to address racial equity on Long Island.



~4,000 Students Reached

Over 30 Schools

Student Demographics for Digital Financial Education



Environmental Awareness

Dime recognizes the importance of environmentally responsible business practices. We have undertaken numerous initiatives that align with environmental mindfulness and will continue to evolve our practices over time. These include office space optimization, the upgrade of office space lighting fixtures to LED, the consideration of environmentally sound practices of potential partners in our vendor selection process, the elimination of company-sponsored automobiles, and a hybrid work schedule for all corporate employees reducing gasoline consumption and emissions, amongst others. Dime has a strong history of being environmentally conscious. We recognize that we must be prepared to take actions that will help protect and grow the financial health of our communities as well as limit the risks our customers, employees, and community face due to climate change. Given the location of our Long Island markets, many in shore communities, it is paramount to protect them by making environmentally sound and conscious decisions while ensuring stability for the economic health of the people we serve.

Eco-Friendly Community & Customer Partnerships

We have extended over **\$100 million** of credit to businesses in the solar energy, environmental research, and environmental control/engineering sectors. In addition, since December 2021, Dime has purchased **\$13 million** of bonds for its investment portfolio, the proceeds of which will be used to finance or re-finance, social and/or green assets including projects focused on renewable energy, energy efficiency and projects that facilitate the transition to a low carbon economy in the United States.

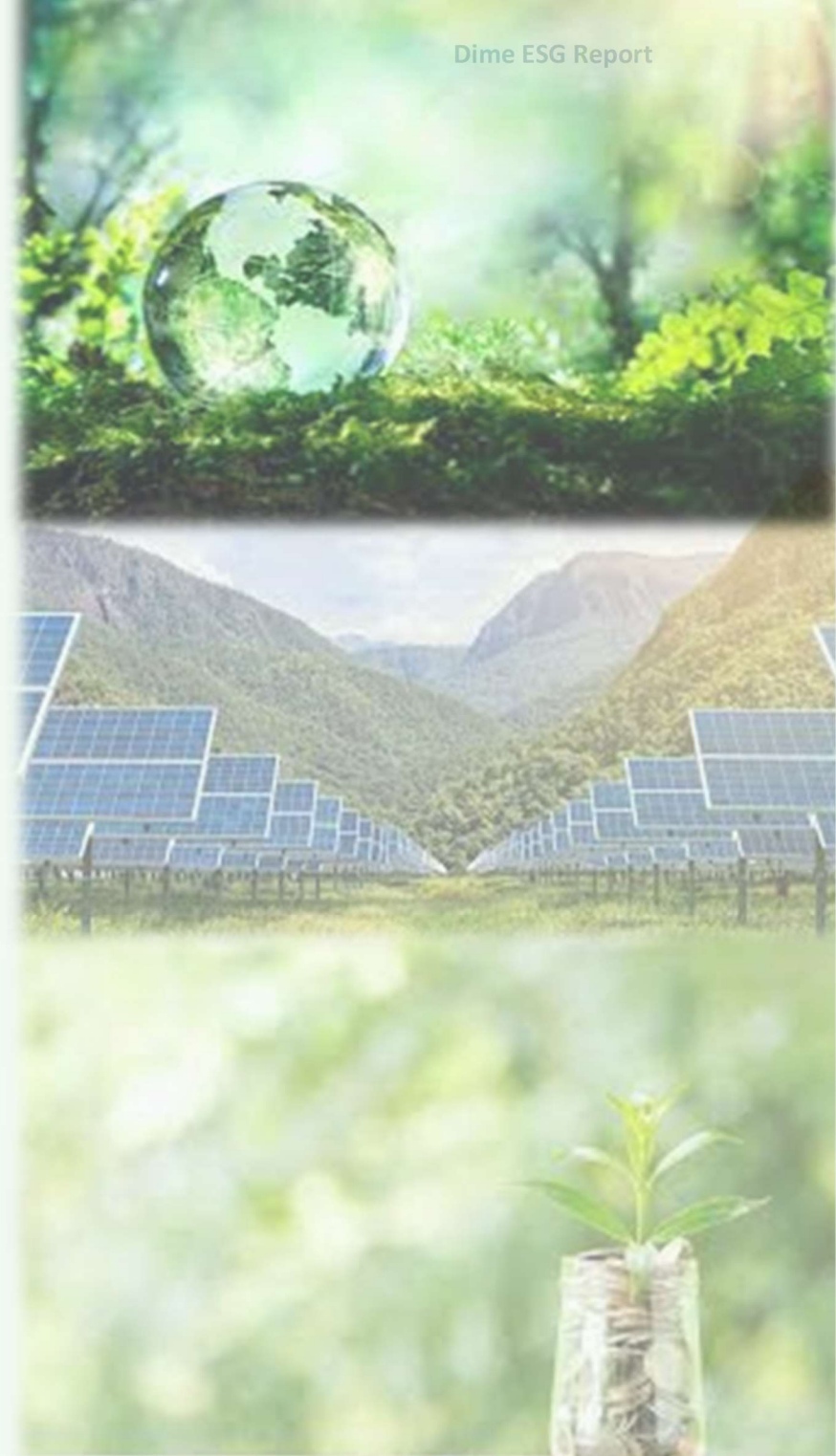


Moriches Bay Project

Dime is a longstanding partner of the Moriches Bay Project, a grassroots organization that strives to protect and conserve the bays on Long Island as well as improve water quality. With Dime’s support, Moriches Bay’s oyster farming project has expanded as Team Dime and local students help at the farm each summer.

Septic Tank Program

Dime partnered with the Community Development Corporation of Long Island (CDCLI) on a septic tank loan program. Dime provided a low-interest loan for a fund to help homeowners upgrade their septic systems using top quality nitrogen reduction technology designed to reverse decades of damaging nitrogen pollution of ground and surface waters.



Environmental Awareness

Environmentally Sound Business Practices

Digital Transformation

Online Account Opening Starting in 2022, Dime made a significant investment to upgrade our online account opening capabilities, set to launch in 2023. Providing a best-in-class digital option to our customers will enhance community engagement, deepen relationships with the added convenience of opening an account online, and improve efficiency in opening accounts. In addition to improving the quality of our customer banking experience, digital solutions allow the Bank to reduce our environmental footprint. By switching to digital platforms, customers will have the option to travel less frequently to bank locations, saving on gas while reducing emissions impact. The digital platform will also further support Dime's longstanding efforts to reduce paper consumption in favor of e-statements.

This digital transformation will also allow Dime to leverage more sources of compliance data to make better informed decisions and help reduce fraudulent customer records. Dime will also utilize a financial security service and multi-factor authentication tool for external bank accounts to reduce the risk of fraudulent deposit funding.



Branch Operations

Deposit Products Consistent with Dime's commitment to environmentally conscious business practices, we provide customers with the option to receive paperless account statements electronically.



Branch Space Rationalization Since early 2021, Dime has routinely evaluated the size of its physical footprint; remaining conscious of our footprint and the associated environmental impact is a key part of our space planning going forward. In this time, we have reduced our branch footprint by over 18,000 square feet, easing emissions burdens and allowing us to operate at an even stronger efficiency level.

Recycling & Repurposing Commitment Dime has a strong commitment to recycling. We have recycling bins located in all of our branches and in each department in our corporate offices. This encourages employees to shred and recycle paper waste, actively supporting Dime's green initiatives while ensuring sensitive information is handled appropriately. While technology is an asset of utmost importance to the Bank, technical equipment and computers result in a carbon footprint. To this end, Dime's IT teams are committed to undertaking innovative endeavors to limit emissions where possible.

We work closely with a local recycling company to repurpose used computers and networking equipment presenting an opportunity to keep these devices operational beyond their lifespan at the Bank, thereby saving on equipment costs and limiting carbon emissions. The IT teams at Dime also have access to a myriad of second-hand equipment that can be certified or refurbished in certain situations.

IT Governance

Environmental Policy Dime strives to remain environmentally conscious with the acknowledgement of climate risk within our Risk Appetite Statement, Enterprise Risk Framework, and Risk Committee charter. We are also developing a roadmap to promote a thoughtful approach to our pursuit of continually enhancing our climate risk management capabilities. As we come up with a plan to combat environmental risks that face our community, the IT Governance team has developed several guidelines:

- ❖ Explore/enhance data analysis capability and strategy
- ❖ Pilot scenario analysis in critical high-risk sectors and regions
- ❖ Identify opportunities as we engage with customers and support them in the transition to a low-carbon economy

IT Support

Support Practices

At Dime, the Information Technology support team strives to be a paperless department. Asset tagging, paper trails, approvals, and tickets are performed digitally. The department leverages tools such as DocuSign to reduce reliance on physical documents. By uploading and sending documents digitally, Dime teams replace the need for

physical signatures and reduce paper consumption. Expanding on Information Technology's initiatives, several departments at Dime have begun replacing the need for physical signatures by using digital services as well. Our Lending, Business Banking, and Retail departments have also incorporated a streamlined process for obtaining digital signatures. Over the past several years, the IT team has shifted to purchasing laptops and workstations that are energy-star rated and have limited thermal design power. This not only reduces consumed power and emissions, but also reduces the financial cost of running our workstation fleet. In addition, we have spent the past year transitioning towards virtual workstations for remote work, which has reduced materials and energy-utilization for individual users. The IT teams at Dime also keep track of the amount of paper that is used by individual divisions of the Bank by utilizing centralized print servers to which all enterprise workstations and laptops are connected. High volumes of printing can be identified and addressed with changes in workflow or other technological improvements. Our IT teams leverage an integrated tracking system that allow us to have a summary of the Bank's equipment and hardware needs. This in turn eliminates redundant orders of hardware. Finally, our IT support has implemented a Desktop Central service, which offers remote assistance and administration that drastically reduces the need for trips into the field, further contributing to lowering our carbon footprint.



Environmental Awareness

Environmentally Conscious Partnerships

The IT team at Dime has partnered with several vendors that share Dime’s philosophy of environmental consciousness while also providing significant value to the Bank and its customers. As part of the vendor selection process, Dime’s IT department takes into account our vendors track record and commitments as it relates to environmentally sound operating practices.

Moving to the Cloud

Dime is actively in the process of converting our servers from “on-premises” to cloud-based. In addition to affording Dime enhanced availability, security, cost and performance efficiencies, our move to cloud-based servers will also provide various environmental-related benefits. These include emissions savings, a carbon-negative operating environment, and harnessing of renewable energy. In addition, it provides us the opportunity to reskill and modernize our IT workforce in learning the more forward-thinking cloud-based approach to systems management. Cost efficiencies coupled with increased IT agility, dynamic provisioning capabilities and the environmental benefits make our conversion to cloud-based servers a sensible approach.

Facilities

The Facilities team at Dime is constantly researching and implementing improvements to reduce our carbon footprint in the workplace, while also providing our employees with a comfortable and safe working environment that promotes health and wellness. We have partnered with our cleaning and carting vendors to separate waste and recycling and stress the importance of reducing waste, reusing materials when possible, and finding efficient ways to safely extend the lifecycle of our equipment. As we perform necessary renovations to our branches and corporate office space, our Facilities team has been tasked with the initiative to upgrade all office lighting to LED fixtures which are more efficient, versatile, and long lasting. The Facilities team at Dime is also responsible for ensuring all facilities are up to date according to safety compliance requirements and internal wellness initiatives. This process is completed during our annual branch inspections and includes ensuring the safety of the exterior, housekeeping, fire safety, and electrical safety in addition to encouraging and making the use of sitting and standing desks available for all employees. When it comes to environmental consciousness, we are aware that there are areas where we can improve our practices and procedures to decrease our carbon footprint and

increase our awareness in operating our business. Our teams at Dime have performed extensive research into implementable energy saving practices (for example, evaluation of our energy suppliers). It should be noted that upcoming environmentally conscious legislation may provide us various opportunities in the future.

New York City Local Law 97

Passed in 2019, this law will require most buildings over 25,000 square feet within the New York City limits to meet new energy efficiency and greenhouse gas emissions standards by 2024 and subsequently submit a report of results starting in 2025. A significant portion of Dime’s real estate portfolio in the greater NYC area is likely to be “covered” building collateral. We view Local Law 97 as an opportunity to deepen our understanding of our customer base by adding upcoming report requirements to our underwriting documentation process. Having additional information in the underwriting decision-making process will help Dime ensure that we are making environmentally conscious decisions.



Governance

Dime’s leadership is committed to building a resilient, sustainable company by staying true to a strong governance framework, ethical business practices and proactive thinking. Our Board of Directors provide sound oversight and guidance in working closely with Executive Management in curating Dime’s corporate strategy, rooted deeply in relationship banking with customers and communities, keen risk management, and an inclusive corporate culture. Our Board is currently comprised of 12 Directors and 7 standing independent committees with separate chairpersons. The position of Chairman and CEO are split, as we believe this is important to ensure proper management oversight. In addition, our Board also includes representation from a prominent institutional shareholder that provides a direct voice for external shareholders. Members of our Board of Directors have relevant experience in the following areas: accounting/auditing, capital markets/treasury, commercial banking, compliance, law, real estate lending, risk management, strategic planning, and technology.

Board Leadership



Kenneth Mahon
Chairman



Marcia Hefter
Lead Director



Paul Aguggia



Rosemarie Chen



Michael Devine



Matthew
Lindenbaum



Albert McCoy Jr.



Raymond Nielson



Kevin O'Connor



Joseph Perry



Kevin Stein



Dennis Suskind

Board of Directors – Skills Matrix



Governance

Enterprise Risk Management Framework

A robust risk governance framework is an essential component in effectively managing the Bank’s enterprise-wide risks. The key components of Dime’s risk governance framework are our risk culture, risk appetite, and enterprise risk management system. This framework is the way in which the Board and Executive Management establish and reinforce the Bank’s risk culture, articulate and monitor the Bank’s adherence to the risk appetite, and establish a risk management system to identify, measure, monitor and control risks.

Risk Culture

Given the necessity of prudent risk-taking to Dime’s businesses, risk management is a fundamental part of the Bank’s business activity and an essential component of its strategic planning process. To ensure that risk management is kept at the center of the executive agenda, it is embedded in the everyday management of the business.

The breadth of Dime’s businesses activities and supporting functions requires the Bank to identify, measure, aggregate and manage risks effectively, and to hold capital appropriately. Risk is managed through a framework of principles and organizational structures as well as measurement and management processes that are integrated with the activities of the lines of business. Dime’s approach to risk management involves certain fundamental elements that drive processes across the lines of business.

The Bank’s objective is to develop sound enterprise risk management practices that meet industry and regulatory standards and enhance intrinsic institutional value. To reach this goal, risk is identified, measured, monitored, controlled, and reported in a manner that promotes prudent, effective decision-making, optimizes risk-reward, and instills accountability.

The Bank ensures that it has the functional capacity to manage the risks in both existing and new businesses, including the ability to assess risk interdependencies and to identify and evaluate new and emerging risks.

At a strategic level, risk management objectives are:

- ❖ To identify risks and ensure that business profiles and plans are consistent with risk appetite;
- ❖ To optimize risk-reward by making informed decisions while maintaining strong and independent review and challenge structures;
- ❖ To ensure that business lines growth plans are properly supported by effective risk and control infrastructures;
- ❖ To manage the aggregate risk profile on both corporate and major business line levels to ensure that the Bank remains no less than adequately capitalized under a range of adverse (stressed) business conditions;
- ❖ To help Senior Management exercise the control and coordination of risk taking across the business; and
- ❖ To provide assurance to the Board of Directors that the Enterprise Risk Management (ERM) Program is appropriate for the Bank’s risks and that it is operating effectively.

The Bank’s risk culture embodies its shared values as stated in our Strategic Plan. Those values, attitudes, competencies and behaviors shape and influence governance practices and risk decisions.

The overarching Risk Culture and Enterprise Risk Management framework relies on six key pillars that work together to inform the Risk Culture of Dime Community Bank:

- ❖ Risk Appetite
- ❖ Code of Conduct & Ethics
- ❖ Stress Testing
- ❖ Whistleblower Policy
- ❖ Cybersecurity & Data Privacy
- ❖ Ongoing Training



Risk Appetite



Stress Testing



Cybersecurity & Data Privacy



Code of Conduct & Ethics



Whistleblower Policy



Ongoing Training



Governance

Risk Appetite

The Bank's risk appetite is the initial component of an effective risk governance framework. The Bank's risk appetite is the aggregate level and types of risk that the Board and Senior Management is willing to accept while attempting to achieve the Bank's goals and objectives as stated in its Strategic Plan considering the following: (a) safe and sound banking operations, (b) interests of its customers and shareholders, and (c) capital, liquidity, and other regulatory requirements. The Bank's Board-approved risk appetite statement is communicated to all employees to ensure that their decisions align with the Board-approved risk appetite statement and established risk tolerances and risk limits.

The Bank's Board-approved Risk Appetite Statement is expressed in both qualitative and quantitative components. Qualitative components describe how the Bank assesses risks, including those that are unable to be quantified. Quantitative components are comprised of Key Risk Indicators ("KRIs"), which include risk targets and risk limits. These quantitative components facilitate the ongoing monitoring of risk levels against the Bank's defined risk appetite.

The Risk Appetite Statement defines the risks involved in the Bank's business activities and includes Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Compliance Risk, Strategic Risk, Legal Risk and Reputational Risk. The Bank maintains risk limits to support linkages between the overall Risk Appetite, which is determined by the Board, and more granular decisions and activities. The Risk Appetite Statement sets forth the achievement of various Key Performance Indicators ("KPIs") and is supported by a suite of KRIs and quantitative metrics used by the Bank to indicate the quantity and direction of a particular type of risk.

Risk appetite is linked to the Bank's long-term Strategic Plan as well as its compensation programs.

Stress Testing

The enterprise risk governance framework incorporates sound stress testing processes, as appropriate, to cover risks, and the interaction of risks that arise from all material activities. This stress testing program is fully integrated into the Bank's capital planning processes to facilitate the assessment of all risks in the context of the Bank's capital requirements.

Balance sheet stress testing, which incorporates various hypothetical macroeconomic and institution-specific scenarios, is performed semi-annually and is a key part of the Bank's capital planning and capital return framework.

Dime is also exploring climate risk-related stress testing.

Cybersecurity & Data Privacy

Dime's *Information Security Program* is designed to protect the security and confidentiality of customer information, protect against any anticipated threats or hazards to the security or integrity of such information, protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to the Bank or its customers, and ensure the proper disposal of customer information and consumer information. The Bank has a shared responsibility model for the protection of Customer and Bank Information where all lines of business and supporting units recognize their duties towards maintaining a strong information security posture.

Dime's Chief Information Security Officer provides quarterly reports to the Enterprise Risk Committee of the Board of Directors on the status of the Bank's cybersecurity program and areas of development and concern.

Additionally, the Bank adheres to and aligns with the [National Institute of Standards and Technology \(NIST\) Cybersecurity Framework \(CSF\)](#) in its oversight of data privacy. The following is a summary of risk-mitigating controls directly related to cybersecurity and data privacy:

- ❖ **Managed Security Provider**—the Bank contracts with experienced Managed Security Services Providers (MSSP) to protect its network from internet-based threats, using Identify, Protect, Detect, Respond, and Recover principles.
- ❖ **Intrusion Detection and Prevention System**—the Bank's digital assets are monitored 24x7x365. Sophisticated systems are in place to automatically block activity perceived as threats, including probes of our external facing hosts, and alert appropriate personnel.
- ❖ **Firewall Protection**—Dime uses managed firewall services. All Firewall changes are documented, reviewed and approved by appropriate personnel prior to implementation.
- ❖ **Web Content Filtering**—the Bank employs Web Content Filtering (WCF) capabilities to prevent unwanted network traffic and malicious code.

Governance

- ❖ **Email Filtering**— Dime leverages an email threat protection system to provide Email Filtering capabilities. The filtering service is designed to block spam and viruses, and provide white-listing, black-listing, grey listing and store & forward capabilities.
- ❖ **Host Based Antivirus**—Protection against virus and malware, including fileless attacks, is maintained on all servers and workstations at all Bank locations.
- ❖ **Data Loss Prevention**—In order to prevent data breaches, exfiltration, or unwanted destruction of sensitive data, Dime Community Bank uses Data Loss Prevention controls to protect and secure data.
- ❖ **Network Segmentation**—Network segmentation is an architectural approach that divides a network into multiple segments or subnets, each acting as its own small network. This allows for more control over the network and improves the overall security posture.
- ❖ **Logical Access Controls & Access Privilege**—The level of access granted to an end user is based on the individual's role and responsibilities using the least privilege and separation of duties.
- ❖ **Change Management**—The Bank follows a formal Change Management process that is applied to systems or applications currently operating within the Bank's production network.
- ❖ **Multi-Factor Authentication and Dual Control**—The Bank uses various dual control procedures, segregation of duties and employee background checks for employees that require access to customer information. Employees connecting remotely to the Bank network are required to use Multi-factor Authentication on their mobile devices.
- ❖ **Encryption of Nonpublic Information**—Dime has implemented controls, including encryption, to protect nonpublic information held or transmitted by Dime both in transit and at rest.
- ❖ **Limitation on Data Retention**—The Bank's *Records Retention Program* includes policies and procedures for the secure disposal of any Nonpublic Information, on a periodic basis.

- ❖ **Audit Trail**—The Bank has implemented risk-based policies, procedures and controls designed to monitor the activity of authorized users and detect unauthorized access or use of nonpublic information.
- ❖ **Clean Desk Policy**— To reinforce security culture, the Bank conducts Clean Desk Campaigns throughout the year. *Clean Desk Policy* reduces the risk of unauthorized access and loss of information during and outside of normal business.

Code of Conduct & Ethics

Dime maintains a strong ethical culture that includes a Code of Conduct and Ethics policy focused on protecting the reputation of the Bank and its employees. Employees are expected to maintain high standards and report misconduct, unprofessional conduct, potential compliance issues, loss exposures, reputation issues, and violations of policies.

Whistleblower Policy

Dime has a Whistleblower Policy applicable to all employees, inclusive of executive officers. Employees are encouraged to anonymously report perceived wrongdoing via a hotline operated by an independent third-party to avoid conflicts of interest. Additionally, employees are required to report any breach of company policy to the Company's General Counsel or Audit Committee under our contractual code of ethics. Dime's Whistleblower policy contains a strong non-retaliation clause applicable to all employees, officers, and directors in the event a perceived instance of unethical conduct is reported.

Ongoing Training

Dime has a strong culture of ongoing training designed to keep all employees, officers, and directors apprised of pertinent issues in the Banking industry. Our program is designed by employee role to ensure usefulness. We require annual training for all employees on workplace behavior that covers inclusiveness and harassment prevention.



Legal Disclaimers

We have prepared the information in this Report to provide a general overview of our Environmental, Social and Governmental (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 Dime Community Bancshares, Inc., Dime Community Bank or its subsidiaries or affiliates. This Report covers our owned or operated businesses and does not address the performance of any of our suppliers, vendors, or third-party affiliates. The information in this report is a summary and is not a complete description of all our activities; we have made qualitative judgments regarding information to include. Because there are many aspects to ESG and the Company, the information in the report could be construed as incomplete and thereby inaccurate. Please note, we did not employ an independent third-party to audit this report.

As used in this report, the terms “Dime” and “the “Company,” “our,” “we,” and “us” may refer to one or more of our subsidiaries or to all of them in total. All these terms are used as a matter of convenience and are not intended as a precise description of any of the separate entities.