



**WEBSTER FINANCIAL CORPORATION
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021**

A Letter to Our **SHAREHOLDERS**

Dear Shareholders,

In 2021, Webster continued to make a meaningful impact in our communities as we maintained our commitment to leadership on issues of sustainability, corporate citizenship and governance. We believe it is important to share our purpose and progress, and we are pleased to present Webster's fifth annual Environmental, Social and Governance Report.

Last year, we more than doubled our commercial lending for renewable and clean energy projects across the eastern United States. We began the development of a climate credit risk framework, which will be incorporated into our existing Commercial Bank underwriting and portfolio management practices. We also entered the final phase of our cloud migration initiative, which has already facilitated significant reductions in space and power consumption for our day-to-day IT system operations.

“We began the development of a climate credit risk framework”

Reflecting our long-standing values, we funded programs to support community needs with a focus on equity, economic inclusion and financial empowerment. Across the footprint, we partnered with organizations on financial literacy, work readiness and related programs, and we continued to fund organizations that address racial equity efforts. We are especially proud of being a founding funder of the Connecticut Women's Business Development Council Equity Grant Match program.

Our colleagues maintained a steady and strong volunteer spirit despite the ongoing pandemic, generously sharing their time and expertise with close to 100 organizations in 2021. We also advanced our investments in the area of basic human services, funding more than one million meals in the communities we serve. We renewed our investment in the Webster Volunteer Recognition Grant Program, where colleagues directed micro-grants to non profit organizations where they volunteer.

“We funded more than one million meals in the communities we serve”

Webster once again earned external recognition in a number of areas last year. We were the top Small Business Administration (SBA) 7(a) lender by dollar volume in New England, and listed as one of the “100 Most Active SBA Lenders” in the United States. We were also named “Lender of the Year” in Connecticut for SBA 7(a) Loans and 504 3rd Party Lending. We maintained our “Outstanding” CRA rating from the Office of the Comptroller of the Currency, our primary regulator. This is the highest possible rating, and symbolizes the way we conduct our businesses, delivering for our clients and communities in key markets across our footprint.

While we are proud of Webster's past achievements, we are also excited about the future opportunities created by our merger of equals with Sterling Bancorp. Now, as one of the leading commercial banks in the country, we pledge to expand on our long-standing commitment to corporate responsibility with the larger scale and greater resources of the combined company. To organize our efforts, we have established a new Office of Corporate Responsibility focused on creating opportunity and economic vitality in the communities we serve.

“We maintained our “Outstanding” CRA rating from the Office of the Comptroller of the Currency”

As we bring together the two banks, we are building an invigorating, values-based culture. We embrace and incorporate the diverse ideas, talents and contributions of our colleagues into the way we do business every day. We have made significant investments to provide an equitable and inclusive experience for all our stakeholders, which continues to be the key to our growth and success. We also strive to be an employer of choice, providing rewards, development and recognition to make Webster a fulfilling place to work.

From the perspective of governance, our recently-combined Board of Directors will continue to ensure that the organization operates at all levels with the highest ethics and transparency. We will provide appropriate risk oversight, ensuring a structured approach to all areas of operations, including credit, information security, reputation, finance and compliance. Reflecting Webster's continued commitment to diversity, equity and inclusion, women comprise 40% of the directors on our expanded board, and the majority of our board committees are chaired by diverse directors.

As Webster begins a new chapter, we look to further dedicate ourselves to building environmental resiliency, meeting community financial needs and making a positive impact on society. Thanks to the efforts of our passionate and talented colleagues, we are excited about the many opportunities, future outcomes and increased value the new Webster will bring to our communities, clients and shareholders.

Sincerely,



A handwritten signature in black ink that reads "John R. Ciulla".

John R. Ciulla
President and
Chief Executive Officer



A handwritten signature in black ink that reads "Jack L. Kopnisky".

Jack L. Kopnisky
Executive Chairman

WHO We Are

With our headquarters in Stamford, Connecticut, our footprint spans the Northeast from the New York City metropolitan area to Rhode Island and Massachusetts. We offer three differentiated lines of business, Commercial Banking, Consumer Banking and our HSA Bank division, one of the country's largest providers of employee benefits enabling more than three million clients save for a healthy financial future.

Our recently completed merger of equals with Sterling Bankcorp brings together two established, high-performing organizations to create a leading financial services company with increased capabilities and scale to serve our clients and the communities where we live and work.

OUR Values

Integrity | Collaboration | Accountability | Agility | Respect | Excellence

Our values are reflected in our sustained dedication to serving our clients and communities.

202

banking centers

from Westchester, NY to Boston, MA

22

commercial banking offices

throughout the Northeast

3M

HSA accounts

A leader in healthcare accounts for
two decades

As of 2/1/22

Follow Us



2021 AWARDS AND RECOGNITION

We were recognized as one of the most reputable banks in the U.S, as well as for our progress in serving our customers and community citizenship efforts. This was made possible thanks to the dedication, teamwork and commitment to our values demonstrated by Webster colleagues every day.

Office of the Comptroller of the Currency

Maintained 'Outstanding' rating -
highest possible for Community
Reinvestment Act efforts

RepTrak

Named among the Top 10 Most
Reputable Banks in the U.S.
by consumers

Coalition Greenwich

A Greenwich CX Leader in the
U.S. Commercial Middle Market
Banking category

100 Most Active SBA 7(a) Lenders

Measured by lending volume for
banks in the United States

#1 SBA Lender in New England

7(a) and 504 loans, measured by
dollar volume

Top Charitable Contributors

Ranked one of the top donors in the
Boston Area

Environmental Report

**\$360M****in renewable energy/
energy-efficient loans**

Clean Energy Loans

By financing commercial loans with companies involved in renewable energy, environmental remediation and energy-efficient components, we further extended our commitment to the communities we serve.

In 2021, Webster Bank created or maintained commitments for approximately \$360 million in loans for renewable energy and energy-efficient components, primarily in Connecticut, as well as in Massachusetts, New York, Pennsylvania, Florida, Georgia, South Carolina and Washington D.C. Of the total, more than \$41.8 million funded renewable energy projects (solar and wind). Nearly \$189.6 million funded clean energy upgrades, of which \$59.7 million was associated with funding LEED (silver) construction for a mixed-income, transit-oriented development. In addition, a commitment totaling \$128 million was made to companies engaged in recycling, and \$0.539 million was funded for loans that included environmental remediation in project plans.

Climate Credit Risk Framework

In 2021, we began developing a climate credit risk framework expected to be incorporated into our existing Commercial Bank underwriting and portfolio management practices. A team of Credit Risk professionals evaluated various third-party tools to assist in aggregating data to capture physical and transition risks within the existing portfolio, and to identify potential new business opportunities.

The data is being used to develop a Commercial Bank Risk Appetite statement, as well as a process to measure, monitor and mitigate climate credit risk as we move to a more carbon-neutral environment. It will also enhance our ability to respond and react to forthcoming financial regulatory guidelines expected in the near term.

Connecticut Neighborhood Assistance Act Tax Credit Program for Energy Conservation Projects

We participated in the 2021 Connecticut Department of Revenue Services Neighborhood Assistance Tax Credit Program, contributing a total of \$150,000 to 18 energy conservation projects in cities and towns across the state. This is our sixth year in the program, which earns the bank a Connecticut state tax credit for making cash investments to qualified community programs sponsored by non-profit tax-exempt organizations or municipal agencies. Our focus was on supporting energy conservation projects in residential and commercial buildings that promote energy efficiencies for properties located in low- and moderate-income neighborhoods.

75%

**reduction in space
and power consumption
resulting from cloud
migration**

Technology

Webster's cloud migration initiative, focused on bringing value to our employees and customers, is entering its final phase of execution. In 2021, we began the third phase of the initiative by executing our cloud infrastructure migration plan. This initiative has facilitated a 75% reduction of space and power consumption required for the day-to-day operations of Webster IT systems. Webster has subsequently initiated our data center initiative, which involves closing Webster's 2,800 sq. ft. production data center.

Digital Banking

We offer a full slate of digital banking solutions to provide self-service options for our Community Bank and Commercial Bank customers. Approximately 60% of consumer and small business customers are digitally active. More than 70% of our commercial clients use the online treasury platform, and 55% of those enrolled use it for wire transfers or ACH payment originations.

Our Community Banking division continues its efforts to deliver digital banking (online and mobile) solutions that meet customers' preferences for self-service transactions utilizing online, mobile and ATM channels. We average 3.5 million digital logins (Mobile App + Webster Online) per month, and 50% of all Balance Changing Transactions (Deposit, Transfer, Bill Pay and Advance) take place on our digital channels.

The HSA Bank mobile app offers real-time access to health accounts, so there is no need to wait for mailed copies. Along with checking balances and viewing expenses, the app allows users to schedule HSA contributions, make payments and file claims with receipt images. The myHealth Portfolio, a self-service online dashboard, simplifies managing and tracking expenses and storing receipts.

RiMaConn Relay and East Coast Greenway

Since its introduction in 2019, Webster has been the presenting sponsor of the 2021 RiMaConn Relay, a sustainable 95-mile relay race along the East Coast Greenway hosted by the Hartford Marathon Foundation. The Relay sustainability program has focused on environmental stewardship, community engagement and outreach, accessibility and innovation. The Foundation followed the Council for Responsible Sport's measurement and reporting framework to manage the social and environmental impact of the August 2021 RiMaConn Relay event.

RiMaConn Sustainability Highlights

85%

of the route traveled on the East Coast Greenway, promoting the green spaces available in three states

100%

paperless participant and volunteer registration system, and all race communications were digital-only

100%

Eliminated more than 14,000 cups at the start, exchange locations, and finish line parties

1,000

reusable U.S.-made water bottles for relay participants

81%

of all food and drinks served were locally sourced (<50 miles)

Social Report

By continuing to partner with organizations, we strengthen our relationships and help to build and sustain capacity in the communities we serve.

Corporate Giving

Webster supports a wide range of registered non profit agencies that serve low- to moderate-income individuals, families and communities throughout our footprint. We work with organizations that address hunger and homelessness, equity and economic inclusion, financial empowerment and developing self-reliance with a focus on human services.

Funding critical services to support community needs remained a priority in 2021, as these organizations continued to lead in responding to the ongoing challenges of pandemic impact and recovery. Many of our partners were still in a mode of transformation, trying to meet client needs while continuing to protect the health and safety of their clients and staff. Webster was a leader in funding these efforts, including sustaining virtual programs established in 2020, and we remained responsive to our partners' needs throughout 2021.

Urgent Basic Needs and Disaster Response

With renewed focus on transforming access to blood supply given the challenges identified during the pandemic, Webster provided disaster relief funding to American Red Cross chapters in Connecticut/Rhode Island and New York. The chapters teamed up to establish centers of excellence in Greenwich and Milford, Connecticut. The Greenwich site provides blood products to those in need of transfusions, including cancer and sickle cell patients. The Milford site will specifically address the need for blood collection for platelet supply.

With focus on ending hunger in our communities we again provided grants to all Feeding America Regional Food Banks across the Webster footprint as part of September's National End Hunger Month. We were able to again provide more than one million meals to our communities. Our focus on basic needs was at the forefront of this funding.

Equity and Economic Inclusion

Webster has a long history of supporting our communities and we are deeply committed to building self-reliance, particularly in low- to moderate-income and marginalized communities. Finding ways to strengthen small business owners, particularly women-owned and minority-owned (LMI) small businesses, is critical to post-pandemic economic recovery. By continuing to partner with organizations from year to year, we strengthen our relationships and help to build and sustain capacity in the communities we serve.

Women's Business Development Council

Webster is the founding funder of the Women's Business Development Council Equity Grant Match program. A partnership with nonprofit, government and financial entities, the program was designed to promote economic prosperity of women-owned small businesses throughout Connecticut. In 2020, we donated \$100,000 to begin the microgrant program. We renewed our funding in 2021, and we were proud to see the overall program reach its million-dollar goal. This year, the Council made 55 grants totaling nearly \$513,000 to women-owned Connecticut businesses. Businesses owned by women of color comprised 32 percent of the grant recipients.

We continued our work with organizations that address social justice and racial equity efforts, reflecting our ongoing commitment and greater sensitivity to addressing racial injustice. We again funded a \$50,000 grant to the Equal Justice Initiative, a national human rights organization that advocates for criminal justice reform and racial justice. We renewed our support of RE-Center Race & Equity in Education, based in Hartford, Connecticut, with a \$25,000 grant. We renewed a \$10,000 grant to the YMCA of Southeast Wisconsin to support its mission of eliminating racism and empowering women. We also awarded \$28,000 to support the work of the Urban League, including a CRA award, and \$10,000 to the National Conference for Community and Justice (NCCJ). Senior Webster leaders serve on the board of the Urban League, and volunteer in an advisory capacity for the NCCJ.

Working closely with our partners in Junior Achievement, we developed Pathways to Careers, a strategic diversity, equity and inclusion initiative to better prepare Black and Brown students for future success, and to help to close the racial wealth gap that exists for many students of color. We provided funding for Pathways at five Hartford, Connecticut middle schools, providing 2,037 students with a series of programs on financial literacy, work readiness and entrepreneurship.

We remain committed to the Working Cities Challenge (WCC), a competitive grant program sponsored by the Federal Reserve Bank of Boston. The five winning cities in Connecticut are now in their third year of funding.

An example of WCC's collaborative approach was seen in Waterbury, Connecticut, where the Waterbury WCC team was co-led by the Hispanic Coalition and Neighborhood Housing Services of Waterbury. Working alongside the Connecticut Community Foundation, the Northwest Regional Workforce Investment Board, the United Way and representatives from the Board of Education and the Board of Alders, the team developed the RIBA Aspira initiative to strengthen employment pathways in the River Baldwin (RIBA) neighborhood and ensure more residents earn a living wage.

By developing a community hub for career training, improving access to childcare and deepening resident engagement, this team made meaningful connections between residents and job training and opportunities. Outcomes included new jobs for 64

Giving Back: WBDC Equity Grant Match Program

\$100,000

Webster seed funding to begin the microgrant program

\$513,000

to women-owned Connecticut businesses

32%

of WBDC grants to women of color

people and higher earnings for 116 people, among other impacts. Many of these residents connected to city resources and services for the first time through RIBA Aspira.

Virtual Learning

Webster has a long history of Junior Achievement (JA) partnership. For more than twenty years, we have supported the JA in its efforts to deliver K-12 programs that foster work readiness, financial literacy skills and entrepreneurship. Webster volunteers are involved in JA throughout Connecticut, Massachusetts, Rhode Island, New York and Wisconsin.

In 2021, JA chapters remained focused on online learning, and each chapter was faced with redesigning their programs to best address the needs of the children they serve. To support this effort, Webster provided funding and subject matter expertise for programs focused on career development. An example of this is a partnership with JA of Greater Fairfield County, Connecticut, which focused on the creation of pre-recorded videos called the Entrepreneur Mindset Workshop for use as a teaching resource during Financial Literacy Month and throughout the school year. To help students begin thinking about careers, the Workshop provided pre-recorded sessions on Financing a Small Business: how it works, what banks look for and the loan application process.

Financial Empowerment Program

With continued attention to the financial literacy of our neighbors and the importance of playing a role in building that capacity, we renewed the Financial Empowerment Program for a fourth year. The program provided more than \$80,000 to nonprofit organizations at the forefront of addressing financial literacy in their communities. Working closely with our CRA and Community Development officers, 12 grants were awarded to organizations which offer financial literacy and empowerment services to LMI populations in all Metropolitan Statistical Areas (MSA) served by Webster. Programs such as the Roxbury (Massachusetts) Center for Financial Education provide residents with skills and resources, including access to combined services for creating a personal financial plan and developing a job strategy to increase earnings.

In New York, the Westchester Bank@Work team partnered with the United Way of Westchester/ Putnam and Westchester Community College's Center for Financial & Economic Education to provide virtual financial education workshops.

Harold Webster Smith Foundation

In addition to engaging in direct philanthropy, Webster provides funding and in-kind support to the Harold Webster Smith Foundation (HWSF), established in memory of our founder, who was a long-time advocate for the city of Waterbury. As a results-oriented philanthropy, the Foundation builds collaborative relationships with a wide range of partners and seeks to leverage knowledge and resources to address critical community issues primarily in the Waterbury community. As a community partner, the Foundation is committed to supporting and advancing racial and economic equity, inclusiveness, and resident voice to ensure that every individual can realize one's potential. The Foundation endeavors to inspire and foster creative, sustainable solutions by providing leadership and grant support to promote economic and community vitality; stabilize or revitalize LMI neighborhoods with a specific focus on affordable housing; expand community services and other supports for LMI individuals; bring creative solutions and new models to address issues consistent with its mission; and ensure the future prosperity and contribute to the economic well-being of the communities served by Webster Bank.

Webster's annual grant of \$250,000 has helped the HWSF realize its potential as a catalyst for economic and social development. In 2021, the Foundation's latest neighborhood revitalization project, Linden Place, received full funding from the State of Connecticut to develop previously secured properties that will result in a 44-unit affordable housing project.

In addition, the HWSF remained focused on funding the Connecticut Vibrant Communities Coalition under the stewardship of Local Initiatives Support Corporation-Connecticut. This effort has brought together leaders from across Connecticut to help establish city land banks, providing best practices and shared learning.

COMMUNITY SERVICE: FOSTERING GOOD CORPORATE CITIZENSHIP

Our values-driven, community-minded colleagues demonstrate how community service is a core Webster value. Webster provides colleagues with two paid volunteer days to use at the organization of their choice, and our colleagues are encouraged to volunteer their time where they live and work.

Volunteering opportunities: Virtual and in-person

Webster has always had a strong volunteer spirit, and though

185 nonprofit organizations
received Volunteer Recognition
Grants

the pandemic continued to present challenges to our many regularly scheduled volunteering opportunities in 2021, we participated in a host of outdoor efforts and virtual opportunities to help our partners. Keeping colleagues safe remained our first priority, and Webster proactively worked with nonprofits to participate and add value where it mattered most to them. In collaboration with community partners across our footprint, Webster colleagues participated in a range of activities, from virtual career exploration and letter writing campaigns to local food collections and in-person Day of Caring and Day of Service, while maintaining a safe environment and their commitment to volunteerism in a year that remained challenging.

Three teams of colleagues volunteered their time to help Waterbury (Connecticut) nonprofits during the United Way of Greater Waterbury Campaign Kick-off, sprucing up classrooms at Girls, Inc. with a new coat of paint, volunteering for a student literacy project at the Waterbury YMCA, and cleaning and organizing at Waterbury Youth Services.

To commemorate the 20th anniversary of the September 11 attacks, Webster colleagues joined with the United Way of Central and Northeastern Connecticut to volunteer in the days prior to the anniversary. This team of colleagues volunteered with a group to create 1,300 Family Emergency and Preparedness Kits as part of the United Way's observance of National Preparedness Month.

Volunteer Recognition Grant Program

To celebrate the volunteer commitment of our colleagues who work to help improve the lives of individuals and families every day, we created the Volunteer Recognition Grant Program in 2019. The program encourages all colleagues to apply for micro-grants (ranging from \$100 to \$250) to benefit qualified nonprofits where they volunteer.

In 2021, 185 nonprofit organizations received grants totaling \$50,500. Since its inception in 2019, the program has provided over 700 grants totaling \$153,900.

United Way

Though our workplace campaign remained primarily virtual, the 2021 United Way Employee Campaign results were strong. The campaign raised more than \$1.5 million through colleague pledges, fundraising initiatives and a corporate match.

In addition to existing fundraisers such as the Online Auction and Golf Tournament, we added Let's Can Hunger, a new localized bank-wide food drive. This food drive enabled colleagues to collect resources and donate locally.

The 2021 campaign resulted in substantial support for nonprofit organizations across the country, serving more than 70 United Ways and hundreds of nonprofit organizations. Our colleagues also volunteered significant amounts of time to Webster's United Way Employee Campaign, Stock the Pantry (also virtual), Day of Caring, Day of Service, and on United Way boards and Allocation Committees.

Community Reinvestment Act (CRA)

Webster is committed to meeting the banking and credit needs of the communities in which we do business. We believe that helping to meet these needs, particularly for LMI individuals, as well as consumers and businesses in LMI areas, is essential to the continued growth and vitality of our communities and our company. All Webster colleagues share in the responsibility of supporting our mission to make banking and credit services available to all prospective and existing customers on a fair and consistent basis throughout our footprint.

In 2020, Webster Bank, N.A. again received an "Outstanding" rating, the highest possible, on our triennial CRA performance evaluation. This rating was given by our primary regulator, the Office of the Comptroller of the Currency (OCC), which charters, regulates and supervises all national banks and federal savings associations. The OCC acknowledged our high performance in these key areas:

- Excellent overall lending activity in all rating areas, reflecting responsiveness and penetration given the highly competitive markets
- Very good distribution of home mortgage lending to customers of varied income levels and businesses of all sizes
- Originated a significant number of loans using innovative and flexible lending products, mainly through government programs, for consumers and small businesses
- Overall outstanding performance in community development investments and grants that were responsive to affordable housing needs, and demonstrated good responsiveness to credit and community economic development

The Outstanding CRA rating is a result of the dedicated efforts of our colleagues, and symbolizes the way we operate our business, deliver for our customers and support the communities where we live and work. This recognition is a testament to our Webster values and sets us apart competitively in the marketplace.

Commitment to building strong communities through community reinvestment

As part of our commitment to promote community reinvestment and ensure fair and responsible banking, the Webster Executive CRA & Fair Lending Committee was established in 2005. Comprised of senior management representing all major areas of the bank, the Committee is responsible for providing leadership, strategic guidance and support to our Corporate CRA & Fair Lending Programs. Webster provided more than \$34.7 million in community development financing through September 30, 2021.

In 2021, Webster continued to support nonprofit community development organizations, with colleagues actively serving on boards and development, fundraising and other committees. They provided these organizations with technical assistance and financial expertise to further promote and achieve their mission.

While COVID-19 restrictions again impacted in-person Community Development educational activities in 2021, Webster colleagues were able to conduct 13 educational workshops, including financial literacy, first-time homebuying, and the Webster-branded Bank Power program seminars, reaching 253 attendees.

Revitalize low- to moderate-income communities

Our CRA investment strategy is to be responsive to our communities, and to make safe and sound investments. In 2021, Webster invested more than \$444.4 million to support local community development efforts, the majority of which were affordable housing initiatives that have been identified as a critical need across our footprint.

Our 2021 CRA investments also included 43 CRA/Community Development Grants totaling \$350,000, which were awarded to local nonprofit organizations providing much-needed services to LMI individuals and families, and promoting economic development and the revitalization of our communities.



\$22.5 million in loans and equity investments for both Connecticut and Southern New England regional CDFIs

Community Development Financial Institutions

Community development financial institutions (CDFIs) are private financial institutions dedicated to delivering responsible, affordable lending to help low-income and other disadvantaged people and communities join the economic mainstream.

In 2021, due in part to the pandemic, economic downturn and social protest movements, there was a continued CDFI focus on promoting social, racial and economic equality, especially in lower-income minority-population communities.

Webster's ongoing financial and volunteer support of the country's largest CDFI, Local Initiatives Support Corporation (LISC) -- both the LISC National Office and regional New England Offices -- focused on establishing Financial Opportunity Centers (FOCs) located in Southern New England's most economically distressed neighborhoods. LISC FOCs offer low-income individuals job training and job placement services, financial education and access to public sector benefits, including housing subsidies.

In 2021, we maintained commitments for approximately \$22.5 million in loans and equity investments for both Connecticut statewide and Southern New England regional CDFIs. Of the total, approximately \$8.3 million funded CDFIs providing capital to developers of affordable housing; \$2.9 million to CDFIs providing capital to small businesses (especially women- and minority-owned businesses located in low- and moderate-income census tracts); and \$11.3 million to a CDFI providing capital to Charter Schools.

We made a \$5 million community development loan to the Westchester County, New York-based Leviticus 25-23 Alternative Fund Inc. The Leviticus Fund is a regional CDFI that provides low-cost capital to non-profit developers of affordable housing, childcare centers and community health centers in Connecticut, New York and New Jersey.

CRE Affordable Housing

Mill Creek is a planned new construction development in Chelsea, Massachusetts that will create 38 residential units, along with a 3,000 square foot public pocket park and publicly accessible waterfront walkway along Chelsea Creek. Webster CRE provided a \$13.3 million construction loan and a \$10.6 million low-income housing tax credit investment.

The 4-story building will be built on a currently vacant property located at the intersection of the Chelsea and Revere neighborhoods, right on the border of Mill Creek. The property is

\$15.1M**in loans financed through
affordable home loan
and assistance programs**

located a short distance from two major MBTA bus routes that link to the Commuter rail, which connects to Revere and downtown Boston. The project will be constructed to meet Passive House standards and will have rooftop solar panels. The site will also include 40 parking spaces, bike spaces, and a ground floor community room.

The Mill Creek development is led by the Boston-based joint venture team of The Neighborhood Developers (a regional non-profit affordable housing development company) and the Traggorth Companies.

Meeting the Needs of Our Diverse Customers and Communities

To address the needs of a diverse customer base and promote access to mainstream banking, we offer a comprehensive suite of banking products and services for consumers, small businesses and commercial customers. These include basic banking products with no or low monthly maintenance fees, as well as accounts designed for young/student savers, individuals who are just entering the banking system, and customers who are looking to reestablish a banking relationship after experiencing banking challenges in the past.

All Webster products and services are readily accessible and delivered throughout our footprint via banking centers, business colleagues, Customer Care Center colleagues and digital channels such as online and mobile banking. Customer Assistance Center colleagues are available 24/7.

Multilingual bank personnel are available to assist customers at many banking center locations, and by telephone through our Customer Assistance Center. In addition, Webster maintains a list of colleagues who speak foreign languages to assist customers when necessary. The list currently includes 49 languages spoken/ written by Webster colleagues. We encourage our colleagues to reach out when language interpretation is needed.

We offer a broad range of home mortgage lending programs and participate in many specialized and/or flexible loan programs to help promote affordable and sustainable home ownership for low- and moderate-income individuals and families, as well as those with limited capacity for a down payment.

Through September 30, 2021, Webster originated 6,374 mortgage loans (including Home Equity Lines of Credit) totaling

\$2.42 billion, of which 1.21% (77 loans), totaling \$15.1 million, were financed through affordable home loan and assistance programs such as the Federal Housing Administration, local housing authority programs and our own affordable housing program, 30HOPE.

Loan Modifications and Repayment Deferrals

We are committed to assisting qualified borrowers who have encountered verified financial hardship. Understanding that customers face many difficulties and hardships during this process, we treat each customer with dignity and empathy, while seeking to find the best possible long-term solution for every individual. The Webster Bank Loss Mitigation Program was developed in 2008, and designed with input from community and local housing organizations. This successful mortgage modification program has helped to keep thousands of borrowers in their homes by recasting payments based on borrowers' circumstances, and it continues to assist struggling customers today.

Through December 31, 2021, the Webster Bank Loss Mitigation program completed 232 loss mitigation requests on 213 loans across 21 different states. This represents over \$41.4 million dollars in balances. Of these requests, 184 were COVID-related (Deferments, Forbearances & Extensions). Seventeen customers reached resolution through Loss Mitigation Workouts, which were able to end civil litigation activities. For circumstances in which loan modification may not be available, we continue to work with those customers to bring accounts current and provide referrals to available community resources.

Supporting Small Businesses Within Our Communities

The U.S. Small Business Administration (SBA) provides assistance to small businesses and partners with participating lenders to offer a guarantee that helps to mitigate some of the lenders' risk. This enables lenders to provide financing with terms and conditions that may not otherwise be available. Webster has a long history of SBA participation, partnering with the SBA to more effectively connect small businesses with needed capital. For the most recent SBA fiscal year ending September 30, 2021, we originated 7,570 SBA loans totaling \$773,389,700. Excepting the Paycheck Protection Program in 2020, this is a record year for SBA production at Webster Bank.

2021 SBA Lending

Program	# of Loans	Total \$ Loaned
Paycheck Protection Program	7,267	\$595,833,562
7(a)	270	\$126,683,759
504	33	\$50,872,379
Total	7,570	\$ 773,389,700

For the SBA fiscal year ending September 30, 2021, Webster was listed as one of the 100 Most Active SBA Lenders in the United States. We were also named Lender of the Year in Connecticut for SBA 7(a) Loans and 504 3rd Party Lending.

Payroll Protection Program Lending

In 2021, Webster Bank again participated in the U.S. Small Business Administration (SBA) Payroll Protection Program (PPP) loan program by offering more than 7,250 additional loans totaling nearly \$600 million to businesses within our communities. Many business clients who received a first draw PPP loan in 2020 were able to receive a second draw PPP loan in 2021. Collectively, between the two rounds, Webster was able to help more than 13,000 individual businesses receive more than \$2 billion in critical funding. To date, nearly 75% of those loans have already been forgiven by the SBA. We continue to offer COVID relief programs to any business customer who demonstrates financial hardship as a result of COVID-mandated closures or forced reductions in their operating models. More than 1,200 business clients were granted relief programs over the last 18 months, and many of those businesses survived because of our ability to flex our repayment options to meet their financial needs.

Webster's Commitment to Our Colleagues

For more than 80 years, Webster has been a community-minded, values-guided bank focused on helping customers achieve their financial goals. The key to our success is our people, and our inclusive and diverse workplace fosters consistent high performance, enabling our colleagues to be their best in serving our clients and communities.

Our values are at the forefront of everything we do, and sustain us as we advance Webster's mission of helping individuals, families and businesses achieve their financial goals.

Creating an energized culture

We are committed to maintaining a culture that enables colleagues to be their best in serving our clients and communities, while achieving business priorities. Since 2010, Webster has engaged in extensive employee engagement polling with an independent survey provider. By gathering input from all colleagues, we can better understand our strengths and opportunities to improve as a company, as managers and as co-workers. The “Power of We” survey, administered on a regular basis, gives colleagues a chance to voice their opinions and help promote a great workplace.

Webster provides transparency to the results and accountability on the implementation of action plans to address the feedback. These actions occur at three levels: corporate-wide, line of business or function, and by manager. For the past several surveys, our strengths have remained consistent and notable:

- Doing the right thing – Colleagues are knowledgeable about risk management and are open to reporting concerns and unethical behaviors up the line, and feel positive about safety and soundness measures.
- Clear direction – Colleagues indicated strong confidence in the company’s executive leadership, direction and future, and in the way their job contributes to our success.
- Customer and community focus – Colleagues feel management empowers them to serve customers and the community.
- Employee treatment – Colleagues continue to feel recognized and valued, and they believe they have their managers’ support to develop professionally.

Our focus on the Power of We shows that strong engagement translates into both customer and colleague satisfaction.

Webster leaders continually conduct pulse surveys and are continuously looking for ways to improve engagement across the bank, including flexible work practices and workplace environment improvements. We responded quickly to the pandemic crisis, and established remote work arrangements as appropriate by mid-March 2020. Our pandemic policies and practices have focused on several key areas, including colleagues’ health and safety, and information security practices to protect customer and colleague information.

- Recognition for those colleagues whose work required onsite presence
- Significant flexibility for those whose childcare commitments could not accommodate onsite work

A late spring pulse survey indicated 95% of respondents were proud to work for Webster Bank.

Building a Diverse, Equitable and Inclusive Work Environment

Our diversity, equity and inclusion focus is a natural outgrowth of our values.

The goal is to embrace our differences – the identities, ideas, talents and contributions of our colleagues in an inclusive work environment.

As an organization, we want to ensure that we are providing an equitable experience for all colleagues, which in turn will promote a sense of belonging. In support of this, we added ‘belonging’ to our Diversity, Equity and Inclusion efforts in 2021, transitioning from “DEI” to “DEIB.”

Webster’s DEIB Council is co-chaired by our President and CEO John Ciulla and our EVP of Business Banking John Guy. This level of leadership sends a clear signal that DEIB is a priority for Webster. Established in 2017, the Council continues to serve as the platform where senior leaders shape the strategy and actions of our DEIB focus.

In 2021, the Council increased its membership from 20 to 22 colleagues, rotating membership and sponsoring initiatives to increase opportunities for employee engagement and address our national climate of anti-racism. To broaden the Council’s scope of expertise and inclusion, and to align with overall DEIB strategy, new representatives were added and the Council was revamped to include three functional areas: Procurement, Philanthropy and Communications.

We also refreshed the model for Employee Resource Groups (ERGs) to align with DEIB objectives, and rebranded ERGs as Business Resource Groups (BRGs), in recognition of the business benefits from improved diversity. BRG members take the lead in our DEIB programming initiatives, which include celebrations of our varied identities.

Our 2021 DEIB awareness and education efforts included the launch of our DEIB Book Club and Speaker Series. We also introduced LinkedIn Learning Modules with curated paths specific to DEIB educational resources.

The DEIB Council and BRGs sponsored a number of new programs and initiatives in 2021. Continuing to adapt to COVID-19 restrictions, the celebrations remained in virtual mode, including Black History Month, Women's History Month, Pride Month, Hispanic Heritage Month, National Employee Disability Awareness Month and National Black Business Month, as well as National Coming Out Day and Veterans Day. The DEIB Council expanded the recognition calendar in 2021, celebrating Asian American Pacific Islander Heritage Month and Native American Heritage Month for the first time.

The overall goal is full integration of DEIB initiatives, goals and metrics into the strategies of all Lines of Business (LOB) and Functional areas. **Our DEIB strategy is focused on People, Procurement and Philanthropy.**

People

- Increase the representation and retention of women, minority and underrepresented groups across the organization, with a focus on specific roles (LOB/Functions) and positions at the level of vice president and above.
- Set measurable goals relative to peers and/or opportunities.
- Build stronger relationships, outreach and partnerships with our minority and women customers and businesses.
- Understand and develop tools to be able to identify demographics of customers.
- Increase banking and financial services solutions for minority and women clients and businesses.

Procurement

- Develop and implement an enterprise-wide supplier diversity program.
- Identify a baseline of current vendors and use that data to create a spend goal for minority- and women owned businesses.
- Fully integrate supplier diversity goals and metrics into all LOBs/Functions created and owned by OMC leaders.
- Build stronger relationships, outreach and partnerships with our minority and women supplier base.

Philanthropy

- This pillar helps to build opportunities for marginalized populations, with a focus on racial equity and economic success.
- As part of the Corporate Giving program, grant pillars were expanded to include Equity and Economic Inclusion.

100% of senior Talent Acquisition partners are certified as AIRS Diversity and Inclusion Recruiters

One of Webster's annual talent management review process objectives is to identify and further build a pipeline of diverse talent, and position our colleagues to take advantage of growth and promotional opportunities.

We have an enterprise mentorship program for high-potential diverse individuals identified through our talent and organizational review processes. Twenty-one colleagues were matched with executive leaders who serve as mentors, providing career guidance and positioning mentees to advance throughout the organization. We have also shared educational content around mentorship and sponsorship, and the role it plays in the advancement of minorities and women in organizations. In 2021, the first cohort concluded and we started a second cohort of 22 mentees. We believe that this program will continue to grow and evolve, becoming a game changer in helping to produce a more diverse pipeline of talent.

Education and awareness continue to be a cornerstone in realizing an inclusive culture. More than 85% of our colleagues have participated in "Bias in the Workplace," a workshop focused on the types of Bias, an introduction to Bias terminology and how aspects of Bias such as microaggressions show up in the workplace. In late 2021, we launched a new DEIB course to address common misconceptions of equity and inclusion, the socialization of bias, and generational awareness.

We also developed resources to support colleagues with tools and strategies to respond effectively to issues of racism when they arise.

Developing talent and strong teams

We actively support the success, growth and career progression of our colleagues, which includes technical and leadership development and the exploration of a broad range of career options within Webster. We make significant investments in formal development programs to build our talent pipeline. At Webster, we are committed to developing and hiring internal candidates to fill open positions; as a result, more than 280 Webster colleagues accepted internal job changes (promotions and transfers) in 2021, an increase of more than 35% over 2020. Our career development initiatives continued in a virtual format, enabling colleagues to continue participating in important career-enhancing programs, including job shadows and career consultations.

Our unique early-career Banking Rotational Program, now in its third cohort, offers four rotational assignments in five tracks: Credit and Risk, Finance and Audit, Community Banking, Technology and Operations. Colleagues participating in this program are placed into full-time positions upon graduation from the two-year program.

Our cross-functional GenNext program is comprised of 25 millennial employees from across the lines of business and shared services. GenNext participants meet regularly throughout the year to provide ongoing feedback and ensure we are considering millennial goals and needs with regard to employee engagement.

Our Talent Acquisition team continues to partner with our hiring managers to leverage various recruitment practices and sourcing strategies to attract top diverse talent. All of our senior Talent Acquisition partners are certified as Diversity and Inclusion Recruiters through the AIRS certification program. Our recruiters strategically choose sourcing networks and candidate pools that provide us with a more diverse mix of talent. In addition, we continue to develop strong partnerships with many local educational and nonprofit institutions as a means to recruit top talent.

We review and track our interview slates for openings at or above the vice president level to determine how often we are seeing a diverse slate of candidates, with the goal of continuous improvement over the prior year, eventually reaching 100%. Despite the pandemic, our commitment and ongoing efforts to improve the diversity of our interview slates continued in 2021.

We build and strengthen external networks to assist us with our goal of recruiting from a more diverse talent pool. Webster's Talent Acquisition team maintained our commitment and focused efforts to deepen partnerships with on-campus diversity organizations at many colleges and universities as well as with community organizations and associations within our footprint. In response to the pandemic, we quickly transitioned all planned on-campus or in-person partnership and networking events to a virtual format. This flexibility enabled continuity of business and organizational hiring, offered valuable networking opportunities.

Webster's Talent Acquisition team members continue to be invited as featured speakers, join employer panels and provide one-on-one career coaching to students, all virtually.

Finally, Webster is a meritocracy. Our strong and thoughtful performance management process is a foundational element of our talent management strategy. It provides a fair and consistent framework for colleagues to understand how individual performance is measured against objectives, behavioral competencies, and The Webster Way.

Together, these elements connect to our business strategy and organizational success. By receiving clear expectations and constructive feedback, supplemented by robust development plans, colleagues realize a higher degree of personal accountability, ownership and commitment to their performance, leading to increased productivity and engagement.

Investing in our colleagues

Webster is focused on investing in our current and future talent development in order to drive business results and colleague engagement. Our Learning & Development Strategy comprises five core areas:

- Business education and job-specific training for all colleagues, to help them increase their proficiency and job performance in alignment with our business priorities.
- Professional development to enhance core capabilities or transferable skills, and promote continuous learning and advancement.
- Leadership development to build and enhance our leadership capacity through a range of efforts. We focus on developing our leaders, from first-time managers to mid- and senior-level executives, at critical junctures in their Webster journeys. For example, Webster offers a values-based leadership program that reinforces our core values and key leadership behaviors important to sustaining Webster's strong culture. HSA Bank has successfully launched a five-component program, "Beyond: Building Character for Work and Life," to foster inclusion through social and emotional intelligence.
- Compliance training continues to be a critical priority to ensure safety and soundness practices. All colleagues and contractors are required to complete an annual compliance program. Compliance training requirements range from one to 34 courses, depending on the colleague's role, and cover a range of topics, including regulations, ethics, cybersecurity and employment law.
- Career programs and certifications build specific skill sets and augment competency levels to build our pipeline of talent through specialized programs, including our Banking Rotational Program, Small Business Certification and Licensed Colleague Programs.

16 hours of paid
annual volunteer time for
full-time colleagues

Our colleagues have access to more than 200 offerings through Webster Bank University, our virtual destination for learning. Colleagues can access various types of content, from on-demand webinars to podcasts and e-learning modules. In response to the pandemic, all training was converted to virtual experiences in 2020, whether self-paced or led virtually by an instructor. This has continued through 2021.

We encourage our colleagues to take charge of their development through a number of programs. Colleagues have an opportunity to see where their skills and interests match various parts of our organization through career maps, and also to receive career consultation. Managers are provided training and guidance on how to have career conversations with their employees and use resources on our internal career development site. The site provides information, tools and resources to support our colleagues with how to explore career options, developing capabilities, job shadowing, career consultation and much more.

Our performance management practices link annual goals and objectives (which are based on business strategy) to personal development profiles. We then give our colleagues the tools and resources they need to navigate their careers at Webster proactively. Our focus is on knowing, growing and engaging our talent. We want to know our colleagues' career aspirations and talents and help them further unleash their potential, so they can have meaningful careers at Webster.

Embracing employee-friendly policies

At Webster, we understand the importance of balance in our colleagues' lives and shape policies to support our workforce needs. Colleagues in select areas who do not work directly with customers can enjoy flexible work arrangements and business casual/casual dress codes.

Full-time and part-time colleagues receive a competitive amount of annual paid time off (PTO) for time away from work, or income security for colleagues who are out of work due to a short-term sickness.

We offer a parental leave program, allowing up to two weeks of paid leave for the birth or adoption of a child for qualifying colleagues, in addition to our disability leave policy.

Additionally, we provide all full-time colleagues with 16 paid hours each year for volunteer opportunities. Colleagues are

encouraged to volunteer in their local communities and/or any of a number of community service projects supported by Webster colleagues annually.

Taking pride in our “Total Rewards” philosophy

Webster’s compensation program aims to attract, retain and reward high-performing talent at all levels through a pay-for-performance philosophy. We strive to provide base salaries that are market-competitive, including a current minimum wage of \$15 – an amount that is higher than national and state requirements. Variable pay opportunities are available to all colleagues, including corporate incentive plans, sales/service commission or incentives plans, and equity plans for senior-level colleagues. These plans reward colleagues for the effective execution of financial, strategic and/or individual objectives that align with Webster’s strategic success.

Our pay practices have strong governance processes, including reviewing competitive market data from more than 20 surveys each year, many specifically related to the banking industry. We determine all job levels centrally to make sure Fair Labor Standards Act (FLSA) regulations are applied consistently throughout the bank. We review annual merit increases to ensure decisions were made without bias of any nature. We review our pay by job title to ensure we have pay equity for males and females, and we review offers as compared to internal peers to ensure we do not create any new gender pay gap issues. Webster has an Incentive Compensation Oversight Committee that reviews and approves any changes to business-line incentive or sales plans, which ensures consistent governance and behaviors.

Our rewards and recognition program drives a culture of appreciation. Whether originating from the CEO or a colleague, this program recognizes leadership and provides colleagues with meaningful awards, with a focus on monetary and non-monetary elements. The award program plays a key role in our Total Rewards platform and helps make Webster a fulfilling place to work.

Moreover, we provide competitive benefits and wellness resources to our colleagues. We work with outside benefits consultants to review our plans annually and benchmark them against other companies of comparable size. We offer comprehensive benefits, including medical, dental, vision, wellness incentives, life insurance, voluntary supplemental life insurance, short- and long-term disability, as well as 401(k) with company match, Employee Stock Purchase Plan, Employee Assistance Program and PTO. Webster shares in the costs of benefits with employees by paying approximately 80% of all insurance costs.

Webster contributes to colleagues’ health savings accounts through earned incentives for covered colleagues and spouses for completing activities such as biometric screenings, wellness physicals and dental exams. We have partnered with an online wellness vendor to allow all employees access to nutritional, fitness and other health information, and participation is encouraged through individual and team competitions and incentives. Benefit trends are reviewed regularly, and Webster plans are adjusted accordingly to remain competitive.

Governance Report

Webster is committed to maintaining robust governance practices that benefit the long-term interests of its investors.

We believe in the importance of sound and effective corporate governance. Over the years, we have forged an explicit link between our corporate culture and corporate governance by identifying our core values, communicating them and living them every day. With uncompromising commitment to these principles, we continue to add long-term value for Webster clients, shareholders, colleagues and the communities we serve.

Webster is committed to maintaining robust governance practices that benefit the long-term interests of its investors.

Transparent Governance Policies

The Webster Board of Directors ("Board") has adopted corporate governance practices and policies that both the Board and senior management believe promote this philosophy.

Board Diversity

Webster seeks to have a Board composed of directors with diverse experience in business and in areas relevant to the bank. We believe that Webster directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the shareholders.

In addition to depth and breadth of business and civic experience in leadership positions, a potential director's ties to our markets are considered in order to ensure diversity, as well as broad geographic and demographic representation reflective of the markets we serve. In 2021, five of Webster's nine-member Board of Directors were female: Elizabeth Flynn, Carol Hayles, Linda Ianieri, Karen Osar and Lauren States. In addition, Webster has two African American directors: Laurence Morse and Ms. States.

Ms. States and Mr. Morse were named to Savoy Magazine's list of the 2021 Most Influential Black Corporate Directors.

Board Leadership

In 2021, the role of Chairman of the Board is held by John R. Ciulla, who is Webster's President and Chief Executive Officer. In addition, there is a lead independent director who is appointed in accordance with Webster's Corporate Governance Policy. The current lead independent director, William Atwell, presides over the executive sessions of independent directors, providing independent leadership to mitigate any real or perceived conflicts of interest.

Board Committees Taking

The Webster Board has established committees, including Audit, Compensation, Nominating and Corporate Governance and Risk. The Board periodically refreshes membership on the Committees to provide new perspectives and insights.

Our Board continues to oversee our ESG efforts, with the primary responsibility for coordination of that oversight to the Nominating and Corporate Governance Committee.

Our management-level ESG Committee is comprised of senior executives across the Company, who meet quarterly; the ESG Committee reports to the Nominating and Corporate Governance Committee.

Executive sessions of independent directors

In keeping with Webster's Corporate Governance Policy, in 2021 the Board held sessions limited to independent directors at six board meetings. The lead independent director presides over the executive sessions of independent directors.

Information Security

The security of our clients' private information is one of Webster's key priorities. Webster expects colleagues, and each relevant supplier, to be responsible for the security and confidentiality of client information. We communicate this responsibility to those entrusted with access upon hiring and regularly throughout the relationship. Employees are trained and tested, and assessments are conducted to ensure relevant suppliers have the appropriate controls implemented to protect clients' information.

We require all workforce members with access to client and Webster data, including vendors and contractors, to complete training to protect the confidentiality of client information. Training occurs at the time of hire and during each year of employment. Testing is performed at the time of training; competence in this area is further developed by regular use of simulation activities, from tabletop exercises and social engineering simulations to resilience testing. All relevant suppliers with access to customers' data undergo rigorous due diligence prior to onboarding and are monitored to ensure they maintain required security controls.

Webster's Chief Information Security Officer (CISO) directs the Company's Information Security Operations. The program is designed to protect the confidentiality, integrity and availability of client data and valuable confidential information.

Led by Webster's CISO, a team of dedicated security professionals examines risks to the Company's information systems and assets, designs and implements security solutions, monitors the environment and provides immediate response to threats.

Governance begins with the Information Risk Committee (IRC), which is a management committee that is a part of Webster's overall enterprise risk management framework and is responsible for overseeing information technology and security risk, including technology risk and cybersecurity. This committee is updated as to the open risks that are related to information security. It is responsible for reviewing the development, implementation and maintenance of Webster's Information Security Program and its related comprehensive set of technology policies, which align with regulatory guidance and industry standards.

Webster's program and its components are assessed periodically by various external and internal parties, including expert cybersecurity firms and penetration testers, banking regulators and Webster Internal Audit. These include risk assessments and the evaluation of associated controls, control protocols, information security and defenses, security monitoring and response, and threat intelligence.

The CISO provides an annual report on the state of the Information Security program to the Board's Risk Committee. Webster's Board and executives are keenly interested in and appreciate the severity of cybersecurity-related risks and support the continuous development of and investment in the Information Security program.

Risk Oversight

Webster takes a comprehensive approach to risk management with a defined enterprise risk management framework providing a structured approach for identifying, assessing and managing risks across the Company in a coordinated manner. Top-level risk categories include strategic, reputational, credit, information, legal, financial, operational and compliance. The Board administers its risk oversight function primarily through the Risk Committee, which meets frequently throughout the year and reports its findings to the full Board on an ongoing basis.

Webster also has a Chief Risk Officer (CRO), who reports on matters involving corporate risk to the Risk Committee, and periodically to the full Board.

In addition, the Compensation Committee reviews and assesses risks as related to Webster's compensation programs.

Best Governance Practices

Webster's Board strives to know, adopt and follow best governance practices as they evolve. In pursuing this, the Board acts proactively when it believes change is needed.

A Strong Control Environment

Maintaining a robust control environment is a critical priority for Webster, as it helps ensure that we are in compliance with applicable laws, regulations and policies. The Board, with the support of the Internal Audit function, provides oversight of the control environment with the assistance of our independent public accounting firm.

Each business area is responsible for adopting and following policies and procedures designed to support a robust control environment, and these policies and procedures are evaluated periodically.

Colleagues in each line of business serve as the first line of defense and are responsible for identifying, managing and owning the risks in their businesses.

All Webster employees are required to complete annual courses in Risk Management.

Risk and other corporate support functions (for example, the Human Resources and Legal departments) serve as the second line of defense, and are responsible for providing guidance, oversight and effective challenge to the first line of defense. Internal Audit and Credit Risk Review, both of which are independent of management, serve as the third line of defense and ensure that appropriate risk management controls, processes and systems are in place and functioning effectively.

Webster performs a periodic enterprise risk assessment, identifying, evaluating and aggregating risks — including strategic, reputational, credit, information security, legal, financial, operational and compliance — to monitor our overall risk profile. The CRO discusses Webster's risk profile with the Board's Risk Committee on a quarterly basis. Webster's General Auditor, who reports to the Board's Audit Committee, evaluates Webster's controls on an ongoing basis. Any issues that may arise involving controls are immediately reported to the Board, and result in the development of plans to address the identified issue and strengthen the control environment.

In order to restrain risk-taking to acceptable levels and ensure there is no manipulation of earnings for personal gain, Webster has adopted a "clawback" policy, in which any bonus or incentive compensation for executives and senior managers is subject to recovery by Webster if such compensation is based on criteria that are later shown to be materially inaccurate, without regard to whether the inaccuracy arose from any misconduct.

Our compensation programs also support a strong risk management culture by making necessary adjustments to certain categories of colleagues' variable pay if they contributed to a significant risk management deficiency during the year. The majority of our senior leaders' compensation links to variable pay, which relates to their individual or group's performance and to Webster's overall performance.

We engage with our shareholders and stakeholders

Webster has a long-standing commitment to transparency in communicating its financial performance and strategic objectives to current and potential shareholders. Our primary methods of communicating with the investment community include quarterly earnings releases and earnings conference calls, each available to the general public; publicly available filings with the Securities and Exchange Commission; current reports on Form 8-K; and active participation in investor conferences hosted by brokerage firms and industry groups.

Webster has consistently received national recognition in surveys by Institutional Investor magazine for the quality of our overall Investor Relations program, as assessed by analysts and investors for attributes including timely and appropriate financial disclosure, constructive conference calls and accessibility of senior management.

As a public company having a bank as a primary operating subsidiary, Webster is regularly subject to comprehensive examinations by our regulators, including the OCC, the Board of Governors of the Federal Reserve System; the Federal Deposit Insurance Corporation and the Consumer Financial Protection Bureau.

We have established a mechanism for any stakeholder to communicate with the Board, any individual director, the lead director, the non-management directors as a group, or any other group of directors, by writing to:

[Name of Director or Directors]
c/o Lead Director of the Board of Directors
Webster Financial Corporation
PO Box 1986
Waterbury, Connecticut 06722

All communications received (except for communications that are primarily commercial in nature or relate to an improper or irrelevant topic) will be forwarded to the intended recipient(s) or the full Board, as appropriate.

Our customers have multiple options for contacting the Bank, including 24/7 customer service by telephone. For those with disabilities, we offer 24/7 Video Relay Service (VRS) and a Telecommunications Device for the Deaf (TDD) line. Customers may also communicate with us by secure email message or live chat online.

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E. Carol Hayles
Former Executive Vice President
and Chief Financial Officer
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Richard L. O'Toole
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Karen R. Osar
Retired Executive Vice President
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Chemtura Corporation

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