



- Mercantile Bank Corporation (MBC)
- Mercantile Bank (MB)
- Eastern Michigan Bank (EMB)
- Mercantile Community Partners (MCP)
- Renewal New

ENVIRONMENTAL POLICY

I. Objective

The primary goal of Mercantile’s environmental posture is to minimize, to the extent possible, our adverse impacts to the natural world as we carry out our mission to our stakeholders. We recognize that everyone depends on the health of the planet in order to thrive; to that end, the following policy statements guide our conduct.

II. Board Oversight

The Board of Directors has ultimate oversight of Mercantile’s work of identifying, assessing and integrating environmental risks and opportunities throughout the organization. In addition to oversight by the full Board, the Governance and Nominating Committee was appointed to provide active and independent oversight of management and of the development and execution of our overall environmental strategy. The Governance and Nominating Committee meets regularly with the Director of Enterprise Excellence, who leads the Bank’s Enterprise Excellence Committee, to provide oversight of the Company’s Environmental, Social, and Governance (ESG) efforts. The Board and its committees regularly engage with management, including leadership from our bank-level Enterprise Excellence Committee and Enterprise-Wide Risk Management Committee, receiving risk reporting that addresses and provides updates on key and emerging risks, including environmental risk. The Board, through its Audit Committee, reviews the Company’s environmental risk disclosures in our financial reports filed with the U.S. Securities and Exchange Commission (SEC).

III. Environmental Sustainability

At Mercantile, our mission and business strategy are based on the concept of shared value – what we do as a business should benefit our customers, employees, shareholders, and the communities where we operate. We are committed to operating our business responsibly and understand that this will help Mercantile create long-term and sustainable value for our company by lowering costs, increasing revenue, reducing risks, enhancing our reputation, and strengthening our communities, and helping us meet the expectations of our customers, employees, shareholders, communities, and future generations. To support this commitment, we will endeavor to:

- Take steps to understand the environmental risks and opportunities associated with our business practices and portfolio.
- Undertake initiatives to promote greater environmental responsibility and opportunities to enhance our process.
- Seek opportunities to support the development and dissemination of environmentally beneficial products, services, and technologies.
- Promote awareness and engage with our employees and customers regarding sustainability and our related initiatives.
- Incorporate ESG considerations throughout our operations, including within our lending practices and decision-making.
- Establish sustainability goals that demonstrate timely but deliberate actions capturing the metrics necessary to assess our progress toward those goals.

IV. Energy Efficiency and Greenhouse Gas (GHG) Emissions

Mercantile recognizes that there are growing concerns about climate change and the impact that it may have on the environment, businesses, and society. These concerns, along with the potential physical impacts of climate change, may lead to new regulations, financial risks, and reputational risks, and alternatively could result in opportunities for Mercantile and our stakeholders. Accordingly, Mercantile is committed to adopting practices that help us address these regulations. To support this commitment, we will endeavor to:



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- Measure, monitor, and reduce our energy consumption and GHG emissions associated with our operations.
- Evaluate opportunities to provide financial products and services that assist in the transition to a low-carbon economy and support the development and implementation of clean energy solutions.
- Assess the risks that climate change poses to our operations, including regulatory, compliance, economic, and physical risks, and if necessary, develop strategies and processes to manage such risks.
- Work with our vendors and suppliers, including through our Vendor and Supplier Code of Conduct, to support the sustainability efforts of the Bank through the services they perform as well as through their own initiatives.

V. Resource Conservation

Mercantile recognizes the environmental impact associated with our use of natural resources and the importance of resource efficiency, conservation, and the proper disposal and management of waste. Therefore, we strive to operate efficiently, reducing our reliance on natural resources, and wherever possible diverting our waste from landfills through recycling and reuse. To support this commitment, we will endeavor to:

- Evaluate and identify opportunities to reduce the use of natural resources in our operations and make our processes more resource efficient.
- Seek opportunities to expand access to recycling programs and the types of materials accepted for recycling.
- Seek to reduce (i) water consumption through the use of water efficient technology and (ii) paper usage through the implementation of digital solutions.
- Engage employees, setting examples, and raising awareness with respect to resource conservation and recycling in order to promote responsible behavior.

VI. Governance, Transparency, and Reporting

The success of implementation of these commitments depends on good corporate governance and transparency about our efforts and progress. To achieve this, we will endeavor to:

- Enable our Board of Directors to effectively oversee our environmental strategy, initiatives and progress, by regularly reporting to the Board's Governance and Nominating Committee.
- Execute environmental directives and strategy, with appropriate environmental risk governance, through designated members of senior leadership, management-level committees, and cross-collaborative working teams.

This policy and related governance information can be found via the Company's website: <https://ir.mercbank.com/overview/documents>