amalgamated
FINANCIAL CORP.

2020 CSR REPORT
ENVIRONMENTAL
IMPACT SUMMARY

RESPONSIBILITY IN ACTION

OUR MISSION

To be America's socially responsible bank, empowering organizations and individuals to advance positive social change.

OUR VISION

Banking that furthers economic, social, racial, and environmental justice.

OUR VALUES

Collaboration | Inclusion and Equity | Integrity | Passion | Proactivity | Responsibility | Service

A WORD FROM OUR LEADERSHIP

The events of the past year tested the limits of what it means to be America's socially responsible bank. Our goals and ambitions set a high bar for success, and it can be easy to lose sight of those goals when the fundamental necessities of health, safety, and financial security are threatened on a global scale. Yet, despite all the challenges this year, we still succeed in all the ways that matter most to us. In particular, while many questioned whether environmental progress would be feasible amidst a global pandemic, our commitment to environmental impact was unwavering. In this report, we are excited to share not what we endured in 2020, but what we accomplished through our commitment to environmental leadership.

In the face of climate change, we succeeded in enhancing how we quantify the climate impacts of our lending. As a founding member of the Partnership for Carbon Accounting Financials (PCAF), we published our first PCAF disclosure, detailing the climate impacts of our lending and providing us a framework to align our practices with a livable future and to drive progress toward net zero. We also succeeded in providing tangible energy and climate savings through our greatly expanded Property Assessed Clean Energy (PACE) Program financing.

We celebrate our success not just because we are demonstrating the power of responsible practices, but because we firmly believe our mission is important now more than ever. The events of last year not only clarified the role of business for the benefit of society and the environment, but they also tested our approach to banking and demonstrated why it works. It works because it is essential, resilient, equitable, scalable, and sustainable.

This report is a celebration of these successes, a look toward our future ambition, and an important manner for us to engage our stakeholders. We welcome your feedback and engagement on the topics we present in the report as we strive to earn the respect of others as America's Socially Responsible Bank.

Lynne P. Fox
Interim President & CEO
Chair, Board of Directors

ENVIRONMENTAL HIGHLIGHTS

Amalgamated Bank believes climate change is a real threat to our planet and must be addressed with bold solutions directed by those on the frontlines. Whether it be through our products, operations, and investment, Amalgamated is explicitly dedicated to using its resources for building a more sustainable planet and a clean energy economy.

Despite the social challenges of the last year, environmental issues remained a key focus for the business community and for our work at Amalgamated Bank. We continued to advance our sustainability program goals, including hitting our climate goals for this year and continuing to drive impact through our lending practices.

We are proud to share some of the key highlights from this year:

We achieved net-zero operations through our strategic purchase of renewable energy and carbon offsets for the fourth year in a row.

We published our inaugural Partnership for Carbon Accounting Financials (PCAF) report for years 2019 and 2020, detailing the climate impacts of our lending portfolio.

We published our 2020 full scope GHG emissions.

---

4 years

of Net-Zero Operations

GREENHOUSE GAS INVENTORY

One of Amalgamated Bank's greatest environmental commitments is maintaining net-zero operations. For the fourth year in a row, we've succeeded in this commitment through our use of renewable energy in operations and offsets of the few emissions we do have, such as business travel and natural gas for heating. We are committed to transparently reporting our climate impacts from operations and the ways in which we achieve net-zero operations. Following the GHG Protocol Corporate Accounting Standard, here are our 2020 GHG inventory results:

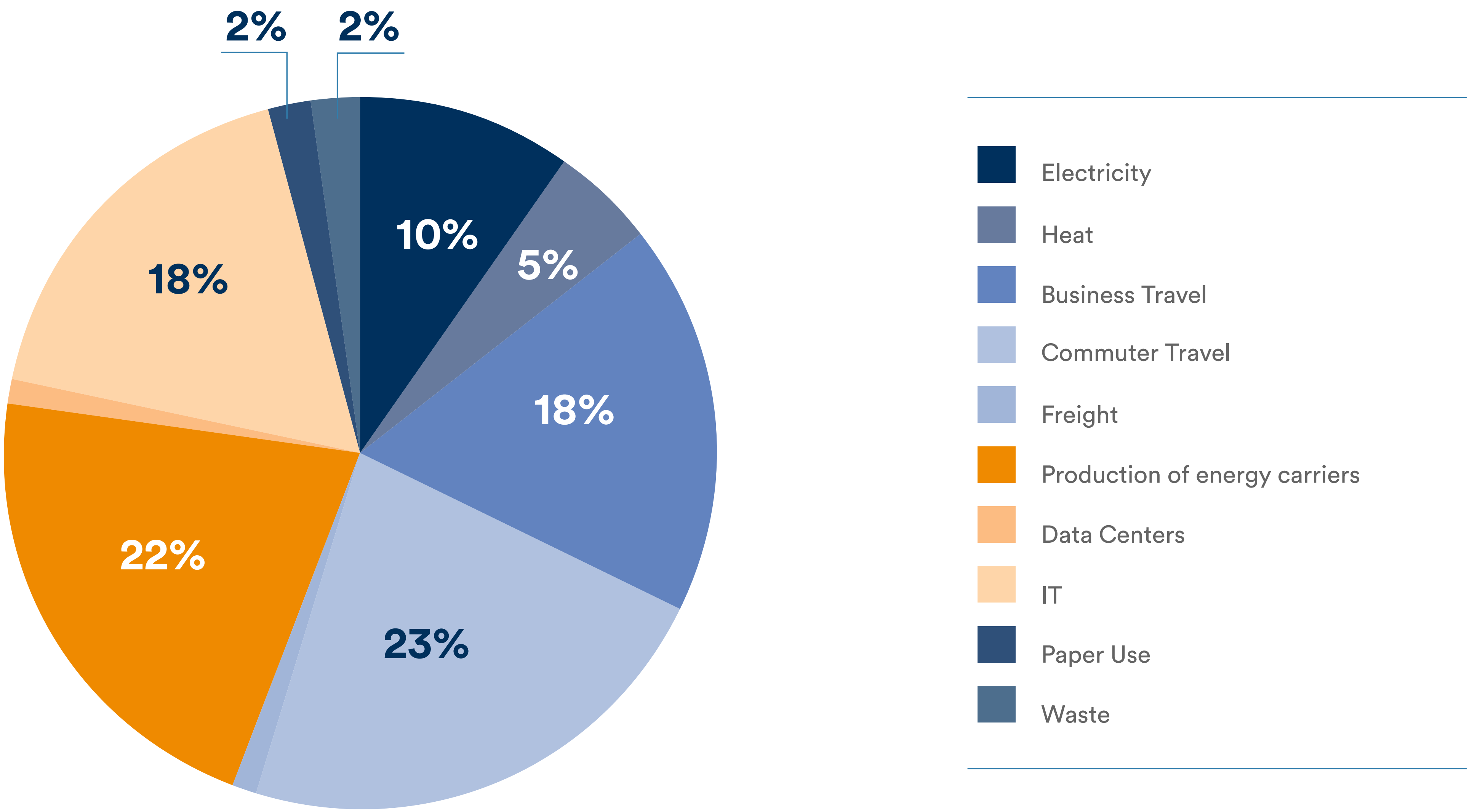
2020 GHG INVENTORY

ACTIVITY	CONSUMPTION	UNIT	EMISSIONS (TCO2E)	PERCENTAGE OF TOTAL (%)
Scope 1: Direct GHG emissions			**42.7**	**4.7%**
Heat from natural gas	21091.4	m3	42.7	**4.7%**
Scope 2: Indirect GHG emissions from purchased electricity, heat, and cooling			**87.9**	**9.8%**
Electricity, renewable	5,334.9	MWh	0.0	**0.0%**
Electricity, grid	203.4	MWh	87.9	**9.8%**

ACTIVITY	EMISSIONS (TCO2E)	PERCENTAGE OF TOTAL (%)
Scope 3: Other indirect GHG emissions	**768.4**	**85.5%**
Business travel	**161.7**	**18.0%**
Freight	**2.3**	**0.3%**
Employee commuting	**210.2**	**23.4%**
Production of energy carriers	**194.8**	**21.7%**
Paper use	**17.5**	**1.9%**
Waste	**22.2**	**2.5%**

898.9 TCO2E TOTAL GHG EMISSIONS

SOURCES OF GHG EMISSIONS



SCOPE 1 & 2 REGIONAL BREAKDOWN

NEW YORK

	Consumption	Unit	Emissions (tCO2e)
SCOPE 1	21091.4	m3	42.7
SCOPE 2	2667.4	MWh	0.0

OTHER LOCATIONS

	Consumption	Unit	Emissions (tCO2e)
SCOPE 1	0.0	m3	0.0
SCOPE 2	203.4	MWh	87.9

WASHINGTON, DC

	Consumption	Unit	Emissions (tCO2e)
SCOPE 1	0.0	m3	0.0
SCOPE 2	134.5	MWh	0.0

NET-ZERO OPERATIONS: GHG OFFSETS

Our organizational approach to carbon is to measure, reduce, and offset our emissions. As we did last year, we purchased verified voluntary emissions reductions carbon credits that bring our net operational carbon emissions to zero. This year's carbon credits support California's Garcia River Forest as a sustainable working forest that saves wildlife habitats, improves water quality, and preserves the traditional economic base of the local community—characteristics in direct alignment with our mission and values in a community close to where we operate. Storing more carbon per hectare than any other forest type, California's ancient redwood forests are home to the tallest trees on Earth, rich wildlife, and stunning landscapes. However, decades of aggressive timber harvesting has depleted this landscape and battered the local economy. Now, as a result of collaborative efforts among nonprofit, private and public entities, and community stakeholders, this project has established the first large nonprofit-owned working forest that will keep this remarkable forest standing for many years to come, while protecting the habitat of several threatened species, including the coho salmon, the steelhead trout, and the northern spotted owl, creating jobs and annually storing nearly 77,000 metric tons of carbon dioxide.

LENDING HIGHLIGHTS

As America's socially responsible bank, our lending portfolio is our greatest source of impact. In 2020, we continued to grow our lending portfolio while seeking to align our practices with our values. The economic volatility resulting from the COVID-19 pandemic required Amalgamated to pivot its lending strategy to ensure resilience and uncovered new opportunities for growth across our key impact initiatives.

We are proud to share some of the key highlights from this year:

Our lending and PACE portfolio grew to $3.8B while maintaining full alignment with our mission and lending requirements.

We built upon our commitment to curb climate change through funding a combined $893M in new Climate Protection loans and investments[1]—resulting in a 63% increase in this segment year over year.

We maintained our firm commitment not to do business with fossil fuel companies, payday lenders, private prisons, or other companies whose business objectives are contrary to our mission.

Our two most significant accomplishments this year were the growth of our lending portfolio in workforce housing and providing capital for climate protection.

Climate protection and workforce housing are the two largest areas of impact lending, making up 45% of the portfolio. These priorities reflect both our legacy as a bank founded in the labor union movement and our commitment to protecting our planet into the future.

We consider nearly

65%

of our lending portfolio to be in areas of high impact[2] and we plan to continue to bolster that section of the portfolio heading into 2021.

We also built upon our commitment to curb climate change resulting in a

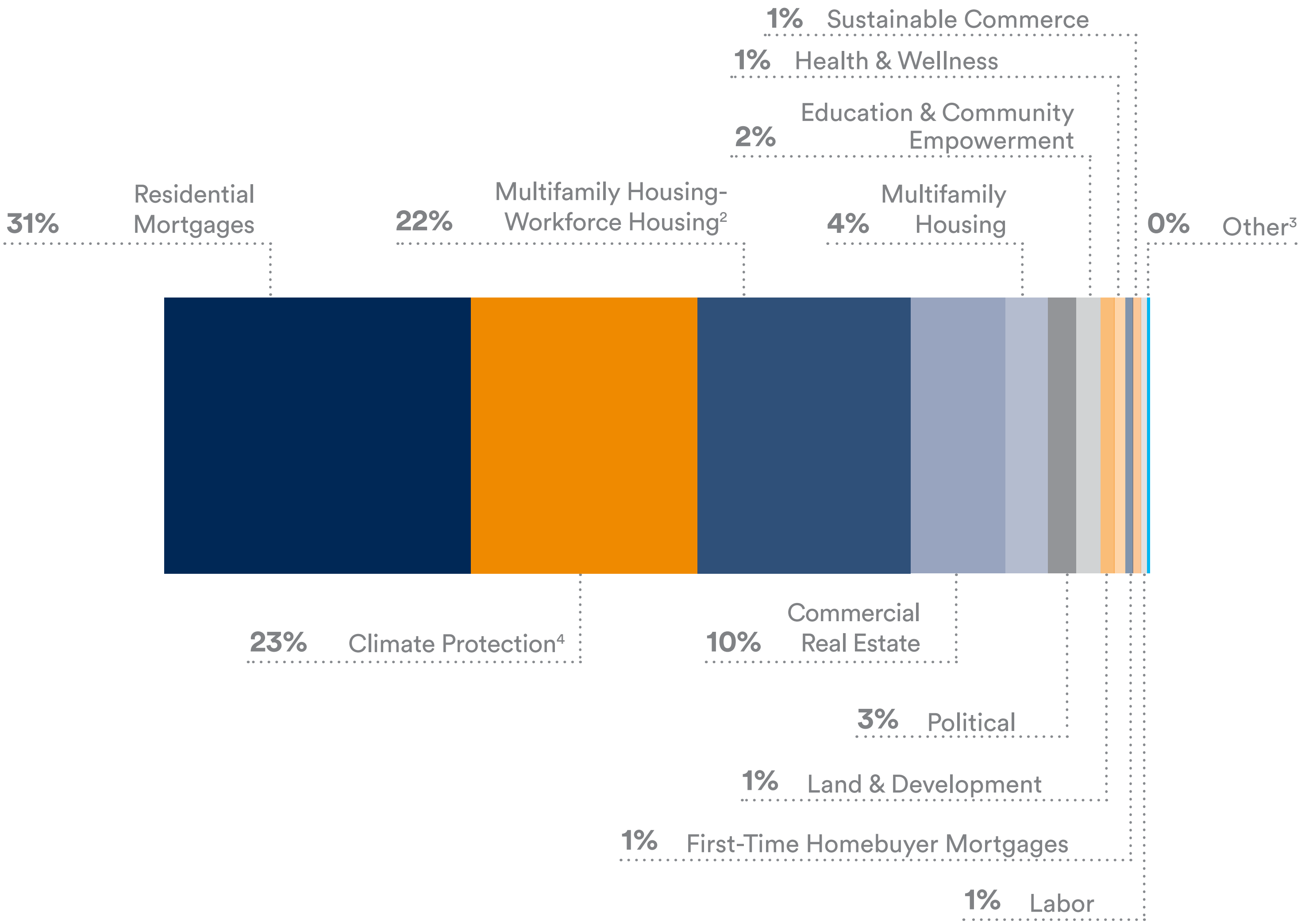
63%

increase in loans and investments[1] year over year.

1 Amalgamated is including the PACE assessment portfolio in this reporting of the impact lending. Although PACE assets are reported in our securities portfolio within the general ledger, they have the risk and return profile of loan, along with the impact that is more accustomed to the lending portfolio.
2 Amalgamated considers all lending to be in areas of high impact with the exception of the follow categories: Multifamily Housing, Residential Mortgages, and Other.

LENDING DATA

2020 LENDING BENCHMARK: 100% Mission Aligned and 65% High Impact[1]



1 Amalgamated considers all lending to be in areas of high impact with the exception of the following categories: Multifamily Housing, Residential Mortgages, and Other.
2 Multifamily Workforce Housing loans utilize the Urban Land Institute's definition: Workforce Housing is defined as housing affordable to households earning between 60% and 120% of area median income (AMI), where additional data necessary to validate impact was not available.
3 "Other" equates to .3% of the total loan portfolio, but is shown as 0% as all categories were rounded to closest whole number.
4 Includes PACE securities. Amalgamated is including the PACE assessment portfolio in the impact lending report. Although PACE assets are reported in our securities portfolio within the general ledger, they have the risk and return profile of loans, along with the impact that is more accustomed to the lending portfolio.

PROPERTY ASSESSED CLEAN ENERGY (PACE) FINANCING

Amalgamated is committed to pursuing innovative financing to advance sustainable outcomes. One area that has had tremendous impacts aligned with our values is the Property Assessed Clean Energy (PACE) financing. PACE financing is an affordable way for property owners to finance sustainable upgrades to their properties, including solar panels, energy and water efficiency upgrades, electric vehicle charging, seismic strengthening and storm-hardening improvements.

In 2020, climate protection lending and PACE financing grew to account for over

$893M

We look forward to continuing to drive progress through this lending theme and finding other opportunities that intersect across our values.

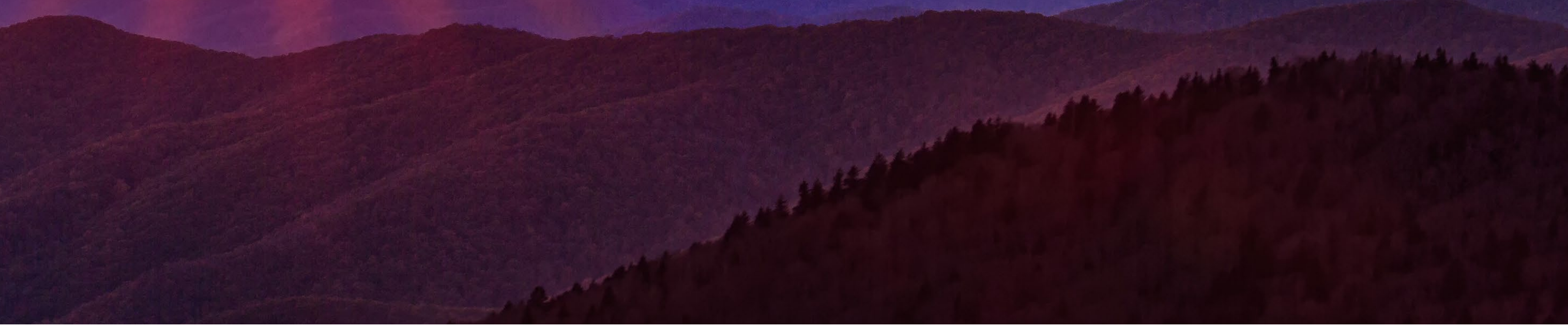
PARTNERSHIP FOR CARBON ACCOUNTING FINANCIALS (PCAF)

PARTNERSHIP FOR CARBON ACCOUNTING FINANCIALS (PCAF)

Determining the climate impacts of financial activities is not an easy feat. Unlike other forms of carbon accounting, financial activities are often intangible, and it can be difficult to isolate precise outcomes that contribute to climate change. While other industries have standards to determine the climate impacts of their upstream and downstream activities, the financial sector hasn't had a formal standard for financed emissions—until now.

PCAF Partnership for Carbon Accounting Financials

The Partnership for Carbon Accounting Financials (PCAF) is a coalition of values-based financial institutions, standard setting organizations, and leading climate groups that have worked over the last 6 years to apply best practices in carbon accounting to the financial industry. Culminating with a global standard in November of 2020, the first edition of the Global GHG Accounting and Reporting Standard for the Financial Industry gives precise instructions for how financial institutions can quantify and report their emissions. With this methodology complete, there is now a pathway for financial institutions to quantify their full scope 1, scope 2, and scope 3 emissions; identify means to reduce their emissions; set goals; and ultimately align their business with a livable future and net-zero emissions by no later than 2050, as identified by the UN IPCC and the Paris Climate Accord.



As an early member of the partnership and a member of the PCAF steering committee, Amalgamated Bank has worked to lead on this important initiative and to be an early adopter of this reporting standard. Amalgamated initiated and chairs the North America PCAF group and co-founded the PCAF Global Partnership.

We are excited to formally publish our climate impacts from financial activities with our inaugural PCAF report for years 2019 and 2020. With this data, we can begin to systematically analyze and identify areas of our portfolio that have exposure to climate risks, drive emission reduction strategies, enhance areas of our portfolio with climate opportunity, and set goals to align our business fully with a livable future through initiatives like the Science Based Targets initiative (SBTi).

Reviewing the results of our last two years, we note some interesting findings in the PCAF data. First, our project finance avoided emissions that are a critical part of our efforts to reduce the emissions of our lending portfolio and we've had great success expanding this financing from 2019 to 2020. Our avoided emissions more than doubled over the last year.

Second, financed emissions associated with our business loans increased significantly over the last year. With this and other categories of growing emissions, we will seek to better understand the environmental impacts of these loans and to work to reduce these impacts over time.

Finally, our data quality scores, which reflect the precision of data used on a scale of 1 (best) to 5 (worst) are variable and skewed toward the lower end of the quality range. This range is a result of the difficulty in retrieving the data required from legacy systems, which previously didn't account for this type of information competing with our desire to have as close to 100% portfolio coverage as we could accomplish in our first years of reporting. We will work to improve these data quality scores over time to ensure that we are reporting data that is precise and useful to our stakeholders.

We look forward to continuing to report these results and using this information to inform our climate strategies. We hope that this data is helpful to our stakeholders and we welcome feedback on the data presentation, disclosure, and usefulness.

"We are committed to net-zero emissions from our loans and investments in pursuit of reducing the dangers of climate change for current and future generations of investors and clients. We are truly all in this together, and a key step in that journey has been to rigorously and transparently measure those emissions so that we can start to reduce them."

Ivan Frishberg, Director of Impact Policy

2019 AND 2020 PCAF RESULTS

Following the PCAF 2020 Global Standard for disclosure and the PCAF North America 2019 methodology, here are the results of our inaugural PCAF inventories for years 2019 and 2020.

COMPLETENESS

Our 2019 and 2020 inventories cover 100% of the residential mortgage, multifamily, and CRE lending activities. Our inventories cover 95% and 94% of business lending activities for years 2019 and 2020, respectively, and it covers 100% of our solar project finance. The small proportion of business lending activities that are not covered are due to unavailable data primarily from legacy transactions. We will seek to improve our data availability for those activities and work toward 100% reporting of our activities over time.

CONSISTENCY

Our 2019 and 2020 inventories used the same methodology and operational boundaries for accurate comparison.

RELEVANCE

Our 2019 and 2020 inventories appropriately reflect the GHG emissions of our company and serves to inform decision-making for our internal climate strategy and for our stakeholders.

ACCURACY

Our 2019 and 2020 inventories follow the PCAF Global methodology. As far as can be judged by us and by our partners, our quantification of GHG emissions is systematically neither over nor under actual emissions, and furthermore uncertainties have been reduced as far as practicable.

RECOGNITION

Our 2019 and 2020 inventories used the Financial Control approach.

TRANSPARENCY

Our 2019 and 2020 inventories have no significant assumptions that deviate from the 2020 PCAF Global standard. Key assumptions that were made in the analysis include the following:

- For multifamily buildings, we didn't have data available on the number of apartments per building. We therefore estimated the number of apartment units based on the average apartment value by zip code and year using Zillow data.[1]
- For solar lending without installed capacity or electricity generation data, we estimated the installed capacity assuming costs of solar are $3,000/ KW.[2,3] We then estimated the solar generation using the PV Performance Tool from the European Union.[4]
- To determine residential mortgage attribution, we applied the average Amalgamated Bank loan-to-value ratio across all mortgage loans.

DATA QUALITY

The PCAF 2019 North America uses a system to quantify the quality of data used. The scale is 1 to 5, 1 being the best. Data quality is assessed on accuracy, precision, and usefulness in determining associated emissions of that activity. In our first PCAF disclosure, Amalgamated Bank had a range of data quality scores. Our primary goal in our first year was to maximize our portfolio reporting, resulting in the close to 100% coverage in our first year. This required use of data that was categorized as lower quality. Over time, we will seek to improve our data quality to enhance the data quality score and overall precision of our inventories. As Amalgamated Bank shifts to a new data warehouse system and more integrated reporting systems, we have the opportunity to increase the accessibility of data that will provide for increased accuracy.

1 https://www.zillow.com/research/data/
2 https://modernize.com/solar/panel-cost-calculator#:~:text=home%20and%20the%20price%20per,before%20tax%20credits%20or%20discounts).
3 https://news.energysage.com/10kw-solar-systems-compare-prices-installers/
4 https://ec.europa.eu/jrc/en/pvgis

TABLE 1: COMBINED SCOPE 1 AND SCOPE 2 EMISSIONS OF 2019 AND 2020 LENDING ACTIVITIES

ASSET CLASS	2019 (tCO2e)	2020 (tCO2e)	2019 EMISSION INTENSITY (tCO2e/MM$)	2020 EMISSION INTENSITY (tCO2e/MM$)
Mortgages	7,606	6,912	5.56	5.53
Multifamily	5,388	5,469	5.54	5.82
CRE	13,503	11,664	29.77	28.80
Business Loans	35,034	47,292	85.95	88.65
Total	61,531	71,338	17.51	18.91

TABLE 2: SCOPE 3 EMISSIONS OF 2019 AND 2020 LENDING ACTIVITIES

ASSET CLASS	2019 (tCO2e)	2020 (tCO2e)	2019 EMISSION INTENSITY (tCO2e/MM$)	2020 EMISSION INTENSITY (tCO2e/MM$)
Business Loans	53,005	58,952	130.04	110.50

TABLE 3: AVOIDED EMISSIONS OF 2019 AND 2020 LENDING ACTIVITIES

ASSET CLASS	2019 (tCO2e)	2020 (tCO2e)	2019 EMISSION INTENSITY (tCO2e/MM$)	2020 EMISSION INTENSITY (tCO2e/MM$)
Project Finance	-52,421	-107,395	(167.88)	(166.43)

2019

ASSET CLASS	TOTAL CURRENT PRINCIPAL BALANCE (in millions)	COVERED CURRENT PRINCIPAL BALANCE (in millions)	PERCENT OF COVERAGE	SCOPE 1 (TCO2E)	SCOPE 2 (TCO2E)	SCOPE 3 (TCO2E)	AVOIDED EMISSIONS (TCO2E)
Mortgages	$1,368	$1,368	100%	4,057	3,549	0	0
Multifamily	971	971	100%	2,943	2,445	0	0
CRE	453	453	100%	4,215	9,288	0	0
Business Loans	431	407	95%	29,562	5,472	53,005	0
Project Finance	312	312	100%	0	0	0	-52,421
Total	$3,537	$3,514	99%	40,776	20,755	53,005	-52,421

2020

ASSET CLASS	TOTAL CURRENT PRINCIPAL BALANCE (in millions)	COVERED CURRENT PRINCIPAL BALANCE (in millions)	PERCENT OF COVERAGE	SCOPE 1 (TCO2E)	SCOPE 2 (TCO2E)	SCOPE 3 (TCO2E)	AVOIDED EMISSIONS (TCO2E)
Mortgages (+HELOCS)	$1,249	$1,249	100%	3,790	3,123	0	0
Multifamily	940	939	100%	3,083	2,387	0	0
CRE	404	404	100%	3,736	7,929	0	0
Business Loans	565	533	94%	15,581	7,784	57,061	0
Project Finance	645	645	100%	0	0	0	-107,395
Total	$3,806	$3,772	99%	26,189	21,221	57,061	-107,395

REPORTING (SCOPE 1 AND SCOPE 2)

ASSET CLASS	2019 (TCO2E)	2020 (TCO2E)	2019 EMISSION INTENSITY (TCO2E/MM$)	2020 EMISSION INTENSITY (TCO2E/MM$)	INTENSITY REDUCTION	ABSOLUTE REDUCTION
Mortgages (+HELOCS)	7,606	6,912	5.56	5.53	0.03	694.01
Multifamily	5,388	5,469	5.54	5.82	(0.28)	(81.14)
CRE	13,503	11,664	29.77	28.80	0.97	1838.37
Business Loans	35,034	23,364	85.95	43.79	42.16	11669.53
Total	61,531	47,410	17.51	12.57	4.94	14120.77

REPORTING (SCOPE 3)

ASSET CLASS	2019 (TCO2E)	2020 (TCO2E)	2019 EMISSION INTENSITY (TCO2E/ MM$)	2020 EMISSION INTENSITY (TCO2E/MM$)	INTENSITY REDUCTION	ABSOLUTE REDUCTION
Business Loans	53,005	57,061	130.04	06.96	23.08	(4056.10)

AVOIDED EMISSIONS

ASSET CLASS	2019 (TCO2E)	2020 (TCO2E)	2019 EMISSION INTENSITY (TCO2E/MM$)	2020 EMISSION INTENSITY (TCO2E/MM$)	INTENSITY REDUCTION	ABSOLUTE REDUCTION
Project Finance	-52,421	-107,395	(167.88)	(166.43)	(1.46)	54974.48

EMISSION INTENSITY (TCO2E/MM$)

PORTFOLIO	SCOPE 1 AND 2	SCOPE 3	AVOIDED EMISSIONS
2019	17.51	15.08	(14.92)
2020	12.57	15.12	(28.47)

DATA QUALITY SCORE

ASSET CLASS	DATA QUALITY SCORE
Mortgages	5.00
Multifamily	5.00
CRE	5.00
Business Loans	5.00
Project Finance	3.79

amalgamated FINANCIAL CORP.

Global Alliance for Banking on Values

Certified B Corporation

Please visit amalgamatedbank.com for more information.

Amalgamated Bank ("Amalgamated" or the "Bank"), member of the Amalgamated Financial Corp. (Nasdaq: AMAL), is a mission-driven New York-based full-service commercial bank and a chartered trust company with a combined network of six branches in New York City, Washington D.C., San Francisco, and Boston. Amalgamated provides commercial banking and trust services nationally and offers a full range of products and services to both commercial and retail customers. All references in this report to the Company and Amalgamated include the Bank.

Other investment products and services provided by Amalgamated Bank's Investment Management Division are not insured by the FDIC and are subject to investment risks, including the loss of principal amounts invested. This does not constitute an offer to invest or solicitation of an offer to buy interest in a fund. A complete description of a fund's terms, including risks, are included in the appropriate disclosure documents. Investment products are not insured by the FDIC (or any other state or federal agency), are not deposits, obligations or guaranteed by Amalgamated Bank or any bank or non-bank affiliate thereof, and are subject to investment risks, including the loss of principal amount invested. Consider a strategy's investment objectives, risks, charges and expenses carefully before investing. Prospective investors should read a fund's offering materials containing this and other information carefully before investing. Past performance is not indicative of future results.

Cautionary Note Regarding Forward-Looking Statements

Some of the statements in this Report are "forward-looking statements" within the meaning of the federal securities laws. Words and phrases such as "expect," "plan," "believe," "continue," "committed," "will," and variations of such words or similar expressions are intended to identify such forward-looking statements. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions ("risk factors") that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements. We assume no duty to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Risks factors include, without limitation the strength of the United States economy in general and the strength of the local economies in which we conduct our operations may be different than expected, including, but not limited to, due to the negative impacts and disruptions resulting from the recent outbreak of COVID-19, on the economies and communities we serve, which may have an adverse impact on the our business, operations and performance, and could have a negative impact on our credit portfolio, share price, borrowers, and on the economy as a whole, both domestically and globally; changes in legislation, regulation, policies, or administrative practices, whether by judicial, governmental, or legislative action; adverse conditions in the stock market, the public debt market and other capital markets could have a negative impact on us; and changes in interest rates. In addition, risk factors include, but are not limited to, the risk factors described in Item 1A of our Annual Report on Form 10-K for 2020. These and other factors are representative of the risk factors that may emerge and could cause a difference between an ultimate actual outcome and a preceding forward-looking statement.

Published April 28, 2021. Updated May 3, 2021.