

amalgamated
FINANCIAL CORP.

**2020 CSR REPORT
SOCIAL & GOVERNANCE
EXECUTIVE 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



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 this report, we are excited to share not what we endured in 2020, but what we accomplished through our unwavering commitment to our employees, customers, partners, and values.

In the face of a global health crisis, we succeeded in transitioning our employees and customers to a new way of operating that met their individual needs while ensuring health and safety for all. For those who needed in-person services, we kept select branches open with new safety measures to ensure our customers could access financial resources during this difficult time. Simultaneously, we provided resources to our customers not already banking online to quickly adjust to managing their finances in the virtual environment. For our employees, we instated regular communications, additional benefits, and resources to enable a quick, caring, and effective transition to work from home.

In the face of social injustice, we used our platform to fight for equality in everything that we do. In addition to a formal statement in support of the Black Lives Matter movement and reaffirming Amalgamated Bank's commitment to being an anti-racist institution, we laid out tangible steps to realize equity as a core value of our company. We formed an employee-led task force to create strategies for anti-racism trainings for all employees, improving partnerships for diverse talent attraction, and continuing to enhance our community impacts through our lending and our philanthropic efforts.

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

A WORD FROM OUR LEADERSHIP

Amalgamated Bank believes that Black Lives Matter and that the horrendous death of George Floyd and other events that transpired in the summer of 2020 are examples of the explicit racism embedded within our country's entire criminal justice system. **We believe the oppression of Black people must end now.**

These beliefs are baked into our history as a Bank that was founded by immigrants to bring economic justice to marginalized communities and support workers as they exercised their rights to free speech. **We join the movement calling for justice in the name of George Floyd, Breonna Taylor, Ahmaud Arbery, Tony McDade, and the thousands of other Black people killed at the hands of the criminal justice system.**

At Amalgamated, we are committed to doing the critical work to dismantle bias in our internal culture, and deploy our financial resources and corporate voice to build a more just world. The Amalgamated Foundation is working with racial justice organizers to support the needs of movements calling for action.

To our Black employees, customers, and stakeholders, Amalgamated Bank sees you and stands with you in the moment. We are committed to doing our part and leading the way in the name of a more just and equitable tomorrow.

Public statement, "Black Lives Matter," June 1, 2020

BLACK LIVES MATTER

SOCIAL RESPONSIBILITY HIGHLIGHTS

Social impact was a prominent focus of our CSR programs in 2020 due to the many events that challenged social well-being, including the COVID-19 pandemic, efforts towards racial reckoning, erosion of workers' rights, challenges to democracy and other important themes.

Throughout the year, we continued to grow our existing social initiatives while accelerating ambition to meet the novel challenges of the year.

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

We launched the Task Force on Racial Justice to lead response to internal DEI strategy.

We amended our employee handbook to formally commit to being an anti-racist organization.

We committed to several improvements on DEI following our letter supporting the Black Lives Matter Movement.

We conducted a pay equity analysis for our non-bargaining unit employees.

We launched gender transition guidelines to support our transgender workforce.

We achieved 100% on the Human Rights Campaign Corporate Equality Index.

Through the Amalgamated Foundation we contributed over \$60 million in grants, including \$36 million to the theme of democracy and racial justice, and \$10 million to workers' rights and economic justice.

Through the Amalgamated Foundation, we launched the Families and Workers Fund to address the challenges of the COVID pandemic.

We continued our legacy of advocacy through support of legislation like NY State Bill 2176 and joining coalitions in support of workers and businesses during the COVID pandemic.

We launched the Return to the Office (RTO) Task Force to lead COVID response for employees and customers.

The Bank
defines being
an anti-racism
organization
as creating an
environment
**where all
employees,
regardless of race
or the color of
their skin, know
they are valued.**

2021 Amalgamated Bank
Employee Handbook, Diversity
and Inclusion Statement



DIVERSITY, EQUITY, AND INCLUSION (DEI)

At Amalgamated Bank, we are dedicated to building a more equitable world in our everyday practices by embracing the values and diversity of our employees, free of conscious and unconscious bias. Diversity, as defined by our Equal Employment Opportunity practices, includes race, gender, creed, religion, citizenship status, veteran/military status, genetic information or disability, marital status, sexual orientation, and other protected classes. We are committed to fostering a culture of inclusion and equity by seeking to understand the lived experiences of each group and providing the protections, resources, commitments, and work environments that meet the needs of each individual group.

Amalgamated is committed to workforce diversity across the Bank, with particular focus on senior and executive management levels. Our Board of Directors and Executive Leadership Team are making a conscientious effort to improve gender and racial balance at the executive levels. With this in mind, we continued our work in 2020 to enhance our DEI practices aligned with the Bank's mission and the needs of our employees during the cultural moments that shaped the events of the last year. In particular, we made significant progress enhancing DEI practices across race, ethnicity, gender, sexual orientation, and equal opportunity practices.

RACE AND ETHNICITY

Our commitment has been longstanding, but it requires continuous improvement and enhancement in order to have impact, particularly in the aftermath of events this past year. The actions we took are good first steps, but they don't fully meet the challenges that our country and company face in this moment. Meaningful, systemic change requires deep thought and broad participation. We are embarking on a journey to fully understand where we stand today and how we can be an even better version of ourselves in the future. That process will take some time, but we will be serious on keeping it at the forefront of our work.

Following the statement we made in support of Black Lives Matter, Amalgamated Bank made the following commitments to enhance our DEI efforts this year:

IMMEDIATE COMMITMENTS AND ACTIONS TAKEN

WE COMMIT

to adding equity as a core value of the Bank and updating our vision to now explicitly name racial justice, along with economic and environmental justice. These updates will send a prominent signal of the Bank's overall trajectory.

ESTABLISHING

an employee-led task force to provide a review of our current internal culture and policies, along with providing best-practice recommendations on how to address racial equity within our institution.

MORE THAN 75%

of the Amalgamated Foundation's grants have already gone to work led by people of color.

ONGOING COMMITMENTS AND ACTIONS

- Enact a no-tolerance policy for racism by our employees
- Provide anti-racism training for all employees
- Bolster our Diversity and Inclusion Office to address issues of racial equity within the organization, including talent recruitment and executive management and board of director composition
- Conduct a wage equity review and make adjustments if necessary
- Develop our own public policy platform on police funding and reform so that we can continue our 98 year legacy of corporate activism
- Bolster our mentorship program and employee resource groups to support our leaders of color as they are promoted and grow into the next steps of their careers
- Expand our commitment to lend to Black, Indigenous, and People of Color through the exploration of an investment fund supporting organizations and companies led by and serving those communities. We will invest in expanding our impact measurement to include racial equity issues. This will be part of our overall effort to create new ESG investment alternatives for our clients.

ANTI-RACISM

As part of Amalgamated Bank's commitment to enhance Diversity, Equity, and Inclusion at our organization, we committed to being an anti-racist organization in our employee handbook. The statement reads:

“The Bank endeavors every day to be an anti-racism organization. The Bank defines being an anti-racism organization as creating an environment where all employees, regardless of race or the color of their skin, know they are valued. We acknowledge that racism can be unconscious or unintentional and identifying racism as an issue does not automatically mean those involved in the act are racist or intended the negative impact of their words or actions. As an anti-racism organization, we constantly strive to identify, discuss, and challenge issues of race and color and the impacts they have on the Bank, our work, our employees, and our clients. The Bank will not tolerate racism in the workplace, including microaggressions.

Part of our commitment is acknowledging that, although we have always strived to create a fair and open workplace, there is more that we can do. This statement outlines the steps that Amalgamated Bank is taking to further promote diversity and inclusion.”

TASK FORCE ON RACIAL JUSTICE

To lead our internal efforts on DEI programming, the CEO announced the formation of a Task Force on Racial Justice. The Task Force is charged with:

1. Collecting observations and reflections of the Black community within Amalgamated Bank, along with other communities of Color, genders, and sexual orientations.
2. Proposing a list of best practice recommendations on changes regarding discrete topical areas as agreed upon by the Diversity and Inclusion Officer and Task Force members that will address systemic barriers for the growth and promotion of Black people and People of Color at Amalgamated Bank. The task force is co-chaired by Shereetha Allen, who works in our Project Management Office, and Tanisa Williams in her role as Diversity and Inclusion Officer.

GENDER AND SEXUALITY

Gender Transition Guidelines

In 2020, we adopted Gender Transition Guidelines for our Amalgamated Bank's transgender and gender non-conforming (TGNC) employees, their coworkers, managers, human resource professionals, LGBTQ employee group leaders, and others who may be involved in a workplace gender transition. It covers best practices for employees and managers, as well as how to address customers and clients. We provide support, partnership, and education for employees as they transition their gender, and for gender non-conforming and transgender employees. Transitioning individuals have the right to openly be who they are and may express their gender identity, characteristics, or expression without fear of consequences.

EQUAL OPPORTUNITY

Pay Equity

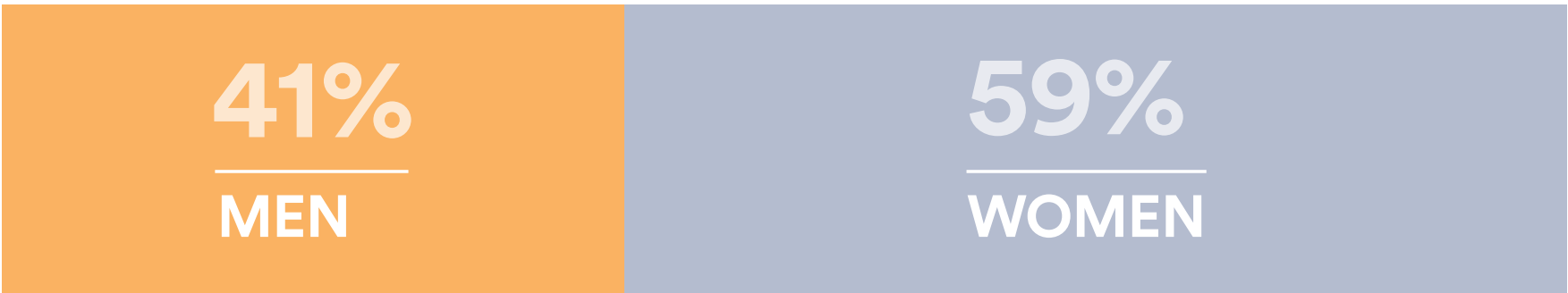
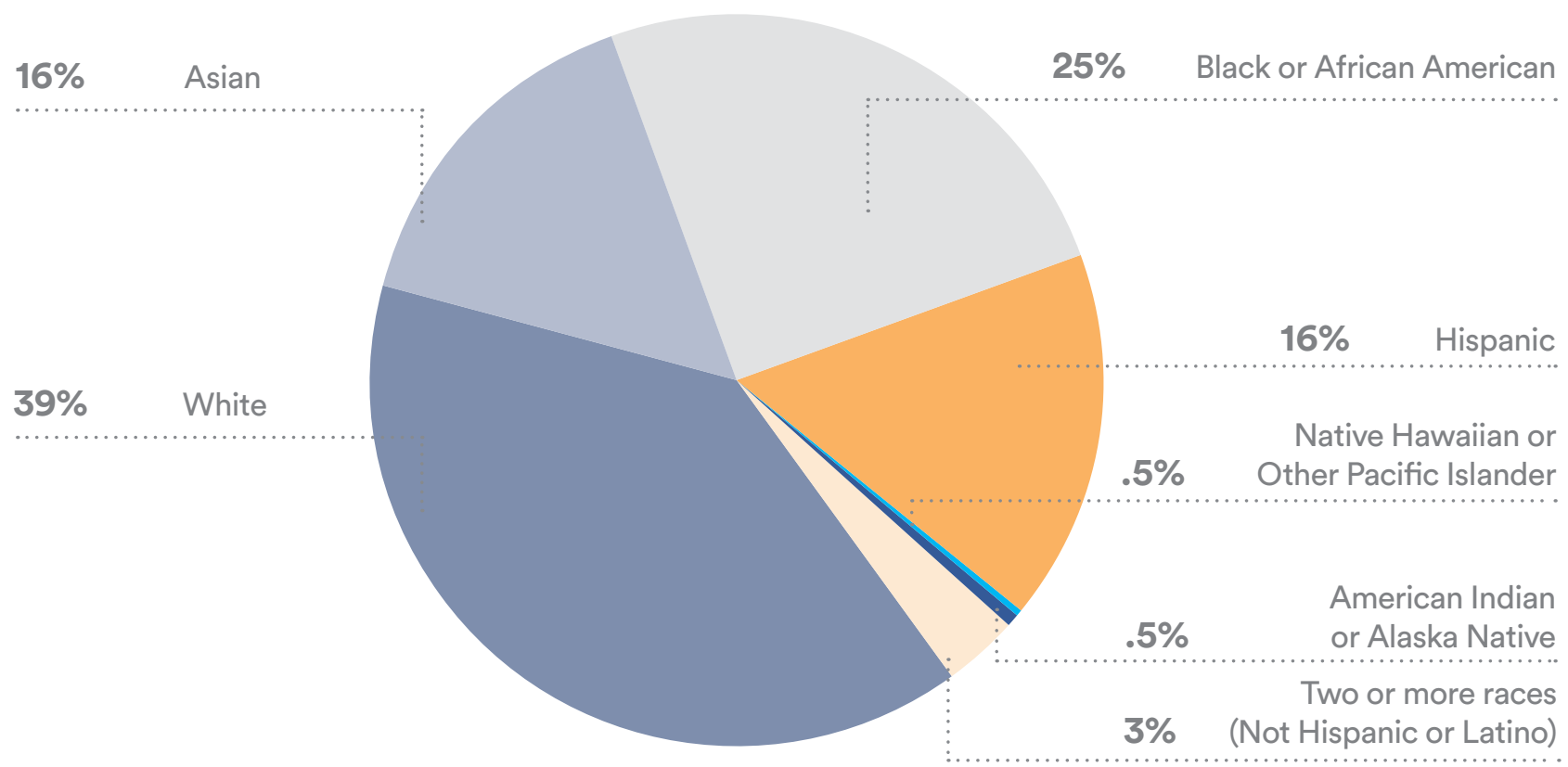
Amalgamated is committed to pay parity across the company and intends to conduct a third party pay equity audit every three years.



HUMAN RIGHTS CAMPAIGN CORPORATE EQUALITY INDEX

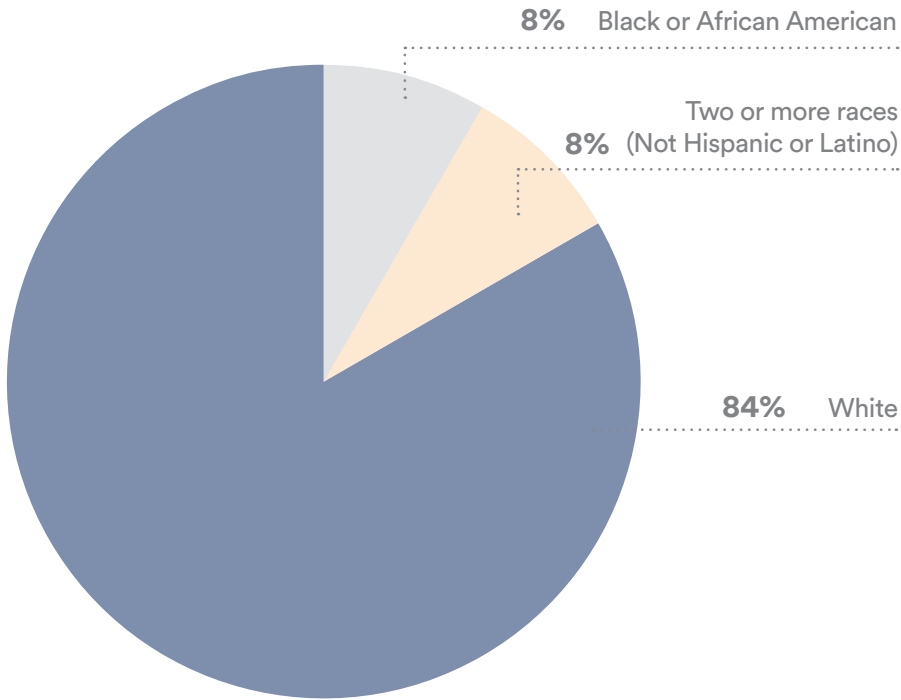
In 2020, we are proud to have achieved a 100% rating from the Human Rights Campaign Foundation Corporate Equality Index. This index is the national benchmarking tool on corporate policies, practices, and benefits pertinent to lesbian, gay, bisexual, transgender, and queer employees.

2020 DIVERSITY DATA: BANK WORKFORCE



2020 DIVERSITY DATA: SENIOR & EXECUTIVE MANAGEMENT

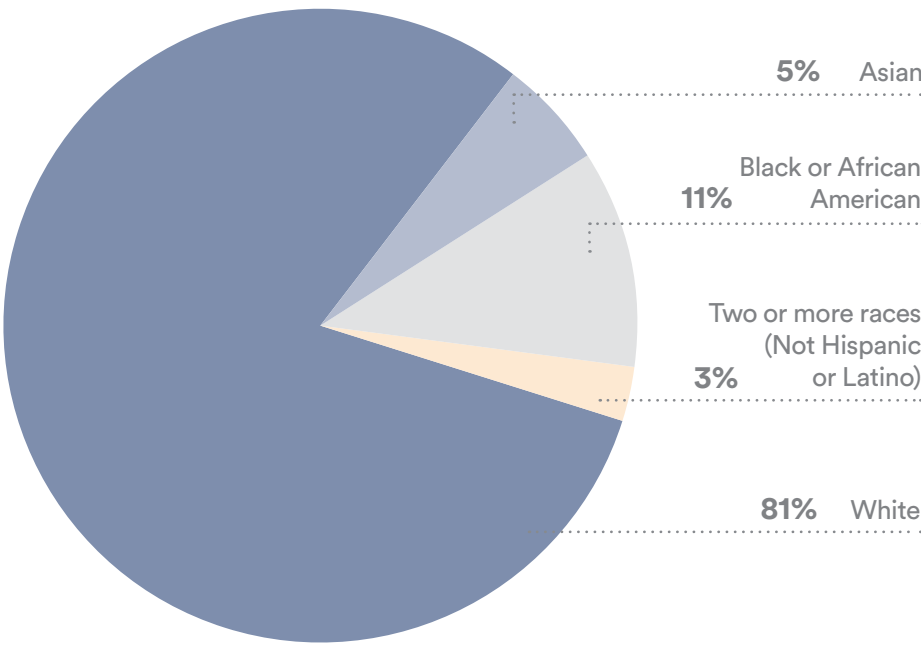
EXECUTIVE MANAGEMENT



MEN 84% **WOMEN 16%**



SENIOR MANAGEMENT



MEN 75% **WOMEN 25%**



A person's hands are visible on the right side of the frame, holding a tablet computer. The background is a bright, out-of-focus office interior with large windows and modern furniture. The text 'CORPORATE GOVERNANCE' is overlaid in the bottom left corner in a large, white, sans-serif font.

CORPORATE GOVERNANCE

COMPOSITION OF THE CURRENT BOARD OF DIRECTORS

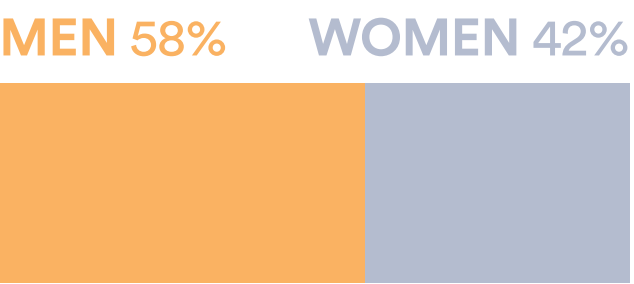
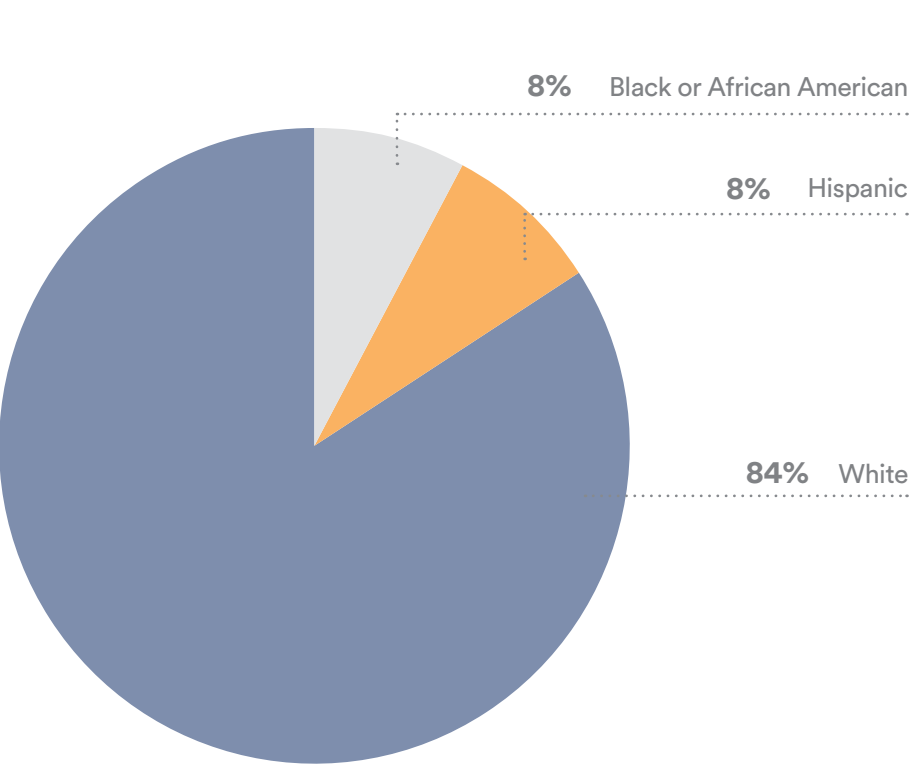
Board Committees:

- Audit Committee
- Compensation and Human Resources Committee
- Governance and Nominating Committee
- Executive and Corporate Social Responsibility Committee
- Enterprise Risk Oversight Committee
- Trust Committee
- Credit Policy Committee

BOARD DIVERSITY

We wholeheartedly embrace the value of diversity across our organization. We believe that a board composed of diverse backgrounds, experiences, perspectives, and characteristics improves dialogue and decision-making and contributes to the overall effectiveness of the board. We have a formal board diversity policy that states that, when assessing board nominees, the Governance and Nominating Committee must ensure diverse characteristics, including but not limited to gender, age, ethnicity, disability, and sexual orientation, are included in any pool of candidates from which the board nominees are chosen.

BOARD DIVERSITY DATA





ADVOCACY



TAKING A STANCE FOR ISSUES WE ARE PASSIONATE ABOUT

As America's socially responsible bank, we are at the forefront of many issues that will help build a more just and sustainable economy. Not only have we taken a stance on these issues, but we have also partnered with organizations in each issue area to help them grow and further voice their cause.

Issues we have taken a proactive position on include:

Climate Change &
Sustainability

Immigrant Rights

LGBTQ Rights

Criminal Justice &
Private Prisons

Workers' Rights

Gun Safety

Reproductive Rights

ISSUES WE CARE ABOUT

ADVOCACY HIGHLIGHTS

Amalgamated Bank believes businesses have an obligation to use their platform to advance outcomes for their business success and the success of their stakeholders. In 2020, engaging in the political process was an important part of putting our values into action.

We are proud to share some of the highlights of our advocacy work from the last year:

We voiced support of NY Senate Bill 2176. The bill supports the creation of micro-business worker cooperatives upon transfer of ownership.

We joined a coalition to call on Congress to send financial support for state and local election jurisdictions to run elections during COVID and enhance security for fair elections.

We publicly opposed the Department of Labor draft rule regarding pension fund investments in ESG products, which would have created a higher administrative burden that would possibly preclude retirement funds from investing in ESG products.

We signed onto an HRC-led amicus brief that argued the government can conditionally participate in the foster care system on the religious agencies' agreement not to engage in religious discrimination.

In consultations with our clients and leading stakeholders on these issues, and out of a paramount concern for the safety and well-being of our employees, Amalgamated Bank supported a platform of policy and funding changes, including Public Funding and Police Reform proposals outlined in the #8CANTWAIT campaign.

We joined the Science Based Targets Call to Action, calling on companies to demonstrate their leadership on climate action by publicly committing to adopt science-based emissions reduction targets.

**Amalgamated
is proud to join
Freedom for All
Americans to
champion equal
opportunity
for all LGBTQ+
Americans
in access to
health care,
among several
other important
protections.**



AMALGAMATED BANK SUPPORTS UNIVERSAL EMPLOYER-SPONSORED CONTRACEPTION

JULY 2020

Amalgamated Bank was disappointed to hear of the Supreme Court's decision to affirm a Trump Administration order that would allow employers to limit access to contraception under the Affordable Care Act. We joined an amicus brief before the ruling in support of universal access to contraception and condemn this ruling, which will affect an estimated 126,000 women.

Amalgamated Bank knows that providing contraception and other family related benefits is good for business and helps create a more inclusive work environment. We joined the Planned Parenthood Federation of America Business for Birth Control coalition, because it is a critical part of our health care benefit package and yet so many people struggle to obtain affordable contraception. Employers, like Amalgamated, need to provide access to reproductive health care as essential strategy for employee retention, diversity, equity and inclusion, and financial stability of their workforce. According to Rhia Ventures' landmark report, Hidden Value: The Business Case for Reproductive Health, 86% of women stated that controlling if and when to have children has been important to their careers. This is an overwhelming majority that requires the attention of business leaders as they currently assess the diversity, inclusion, and equity strategies of their companies.

We called on other corporate leaders to stand up in the absence of government leadership and offer a comprehensive package of reproductive health and family benefits to their employees. Such benefits build and maintain the inclusive and competitive workforce needed to succeed. These benefits include:

- Access to free contraception
- Gender transition care
- Abortion coverage
- Paid family leave

AMALGAMATED BANK CALLS ON CONGRESS TO ACT NOW TO INCREASE RESOURCES TO SMALL BUSINESS AND NONPROFITS

APRIL 2020

Amalgamated Bank urged Congress to act swiftly to support the more than 30 million nonprofits and small businesses that were unable to access the first round of Small Business Administration (SBA) Payroll Protection Program (PPP) loans. We called on Congress to act to provide the resources critical to our economic fabric, including additional funding for healthcare workers and local municipalities working with next to no resources in the fight against COVID-19.



ACTIVE OWNERSHIP

In 2020, the LongView Funds (the “Funds”) continued their tradition of taking a long-term view of shareholder value by actively promoting sound governance practices at companies held in our portfolios. This active ownership practice includes the thoughtful and diligent exercise of our voting rights as well as engaging with our portfolio companies on a variety of issues. Consequently, we take an assertive approach of promoting best practices at portfolio companies and eliminating practices that are inimical to long-term growth. We do this through various mechanisms, including dialogues with companies on governance issues of concern and shareholder proposals that give all shareholders an opportunity to vote on a particular matter of concern.

This year, we continued our engagement with companies across three themes: Diversity, Net-Zero Emissions, and Slavery in Supply Chains. In the 2020 proxy season, we engaged a total of 15 companies.

DIVERSITY

Board accountability means embracing diversity and ensuring that the board of directors in a company represents a diversity of experience and expertise. Our resolutions aim to advance the goal of board diversity by focusing on companies that have no female directors and, in some instances, no minority directors. This campaign rests on empirical data supporting the belief that companies with a diverse board membership perform better than companies that lack such diversity. In the 2020 proxy season, we engaged several companies on board diversity, including Liberty Broadband Corp., ANI Pharmaceuticals, Inc., and SeaWorld Entertainment Inc.

NET-ZERO EMISSIONS

Shareholder proposals were focused on assessing the viability of “net-zero” energy efficiency by 2030. We have filed shareholder proposals with prominent companies to request them to prepare a report that evaluates the feasibility of achieving by 2030 “net-zero” emissions of greenhouse gases from all aspects of their businesses. Achieving net-zero emissions essentially means a reduction in the level of greenhouse gases emitted on an annual basis to a level roughly equal to the amount of renewable energy created by an individual entity. In the 2020 proxy season, we engaged several companies, including FedEx Corporation, Uber Technologies, Inc., The Cooper Companies, Hertz Global Holdings, Inc., General Electric, Amazon.com, Inc., and Paypal Holdings, Inc.

SLAVERY IN SUPPLY CHAINS

Shareholder proposals were focused in applying effective governance to eliminate slave labor in the supply chains. In the 2020 proxy season, we engaged in conversations in this area with the following companies: ArcherDaniels-Midland Company, Amphenol Corp., Corning, Inc., Hanesbrands, Inc., The Hershey Company, L Brands, Inc., Mondelez International, and Ralph Lauren Corp.



Global Alliance for
Banking on Values



Please visit amalgamatedbank.com for more information.

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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. Risk 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.

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