



# 2022 PAY EQUITY REPORT

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February 2024



**At Amalgamated Bank, we believe in the fundamental principle that every individual deserves to be compensated fairly and equitably for their work, regardless of their gender, race, or any other distinguishing characteristic.**

We consider pay equity a moral and ethical imperative that reflects our commitment to building a workplace that values diversity, fosters inclusion, and upholds the principles of equal opportunity and fairness for all. In today's globalized and interconnected world, ensuring pay equity is not just an ethical obligation but also a strategic advantage. It empowers us to attract and retain top talent, foster a harmonious and collaborative work environment, and ultimately drive our mission forward.

This Pay Equity Report for the reporting period of 2022 data demonstrates our dedication to these values and to transparency as a company. It encapsulates our ongoing efforts to eliminate disparities in compensation and advancement opportunities that may exist within our organization. It serves as both a reflection of our progress

and a roadmap for our future actions. By scrutinizing and sharing our pay equity data openly, we acknowledge that there is always room for improvement. We understand that it is through transparency, self-assessment, and corrective actions that we can achieve our goal of a truly equitable workforce.

This report will walk you through the methodology used to assess pay equity, present an overview of our workforce demographics, delve into the analysis of gender and racial pay gaps, and explore hiring, promotion and retention rates. It will also highlight the Bank's governance of this issue and commitment to workers in the company and the country.

We invite you to review this report with the understanding that achieving pay equity is a journey that requires the dedication and participation of every member of our organization. We encourage an open dialogue and look forward to feedback, suggestions, and collaboration as we collectively work toward our shared vision of a workplace where everyone is valued and rewarded fairly for their unique contributions.

# METHODOLOGY

The methodology used to assess pay equity within Amalgamated Bank is grounded in a comprehensive and rigorous approach that prioritizes transparency, accuracy, and fairness. Achieving pay equity requires an in-depth analysis of compensation data and an understanding of the various factors that may contribute to disparities. The following sections outline our methodology:

## 1. Data Collection and Sources

We collected compensation data from payroll records, HR records, employee information and other relevant sources. Since our total employee headcount is just over 400 people, breaking down pay by EEO-1 categories, titles or departments is not something that makes sense at this time due to too few data points. The same issue is true for gender; while we track and monitor pay and outcomes for employees who self identify as neither male nor female, they have been excluded from this analysis. Our coverage includes all active regular employees as of December 31st, 2022. We did not include interns or contractors. Consistent with standard practice, a small population, consisting of less than 4% of all employees paid under a formulaic commission plan were excluded from the analysis.

## 2. Data Privacy and Security

To protect the privacy and confidentiality of our employees, all data was anonymized and aggregated before analyzing to prevent the identification of individuals.

## 3. Pay Equity Metrics and Analysis

Pay equity was assessed consistent with best practices, we assessed pay equity using total annualized compensation (base wage/salary, bonus, and equity) on both an unadjusted (or “raw”) median basis and statistically adjusted basis, accounting for job-related variables such as job function, grade, union membership, tenure, and experience.

Given that many pay disparities in the financial sector are more apparent when looking at total compensation, rather than simply a base salary. All of the data we are reporting is based on total pay: inclusive of salary, bonus and equity awards. This reflects a best practice for pay equity disclosures.

We have analyzed results across our total workforce, as well as within union and non-union work force.

## 4. Continuous Monitoring

We expect to continue to monitor compensation data regularly, conduct periodic pay audits, and track the impact over time. Our plan going forward is to conduct and disclose pay equity analysis annually, maintaining full employee coverage with previously noted exceptions.

We used a third-party firm with significant expertise to conduct the statistical analysis and test the models used for this report.

Our methodology for assessing pay equity reflects our commitment to creating a fair and inclusive workplace where compensation is determined by an individual’s skills, experience, and contributions, rather than their race or gender. We understand that achieving pay equity is an evolving process, and we remain steadfast in our commitment to this important endeavor.

# DATA AND RESULTS

It is important to remember when looking at these data sets, that the Bank had a total of 409 employees in 2022, so a relatively small count of team members can sway the results. Because of this, we tried to look at the data in a variety of ways to gain a fuller picture of the application of our compensation policies.

This report also provides an important analysis of gender and race within our recruitment, retention and advancement for 2022, and how that contributed to the overall diversity of our team.

## Definition: Adjusted

The “adjusted” pay ratio is the comparison of two groups of employees of the average pay, after accounting for various factors that drive pay decisions.

## Definition: Median Unadjusted

The “Median Unadjusted” pay ratio compares the mid-point of compensation for two groups of employees, where half are higher and half are lower and without adjusting for any factors that impact compensation.

## Pay Ratios

Protected Group	Comparator Group	Union/Non-Union	Median Unadjusted	Adjusted
Female	Male	Total	0.88	0.98
Female	Male	Union	0.94	1
Female	Male	Non/Union	0.85	0.98
Minority	Non-Minority	Total	0.77	0.98
Minority	Non-Minority	Union	0.85	1
Minority	Non-Minority	Non/Union	0.74	0.97

The most useful view into pay equity is on an adjusted basis. In this analysis we were trying to compare like for like, ensuing people are being paid equally while accounting for legitimate job-related factors that drive compensation decisions such as job role, experience and tenure. We have conducted this analysis through a third-party expert in the past, with those results showing no significant differences in pay for minorities or women.

We examined the median of the total employee population. We then examined the data with our union members separated, as the union makes up 22% of the workforce, and by design workers in the union receive pay which corresponds to what was negotiated under their Collective Bargaining Agreement. The union is comprised of 79% female and 81% minority employees. Our total unadjusted numbers reflect high concentrations of women and minorities in the union positions compared to the bank as a whole.

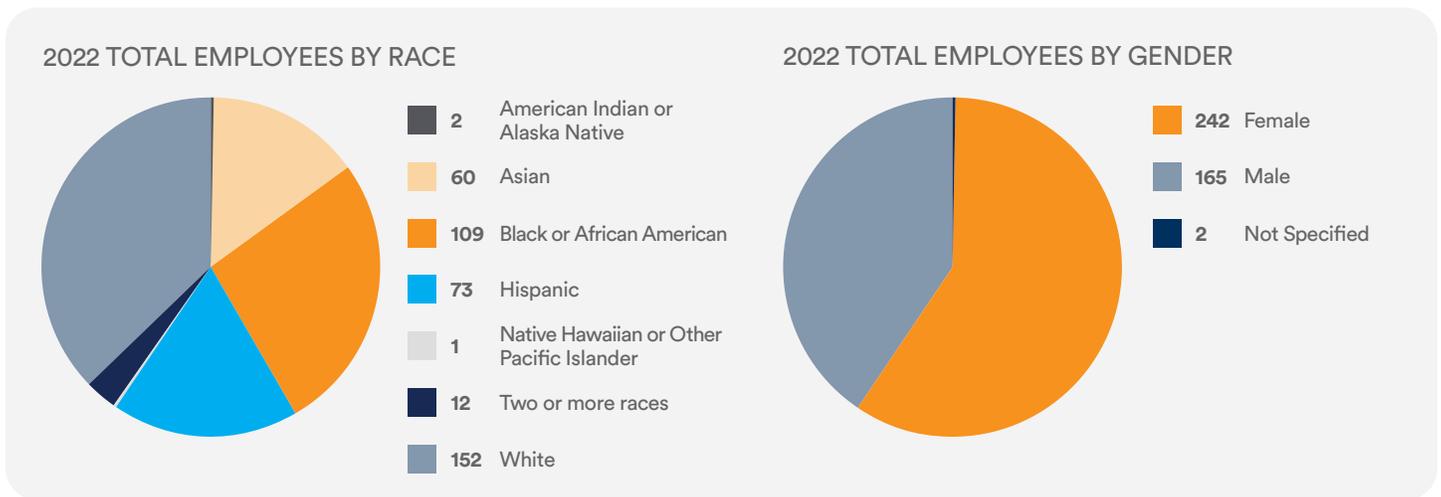
This year we are happy to share that there continues to be substantial parity in our adjusted pay for women and minorities. The adjusted female salary was 98 cents to the dollar of the adjusted male compensation. Similarly, on an adjusted basis, minorities earned 98 cents to the dollar compared to non-minorities.

We are proud to disclose these quantitative results that show Amalgamated Bank continues to reward employees for performance and merit.

# RECRUITMENT, PROMOTION, AND RETENTION

To provide greater transparency into the overall employment picture at Amalgamated, we are also releasing our recruitment, promotion and retention numbers for 2022 and will plan to continue to report these in our upcoming CSR

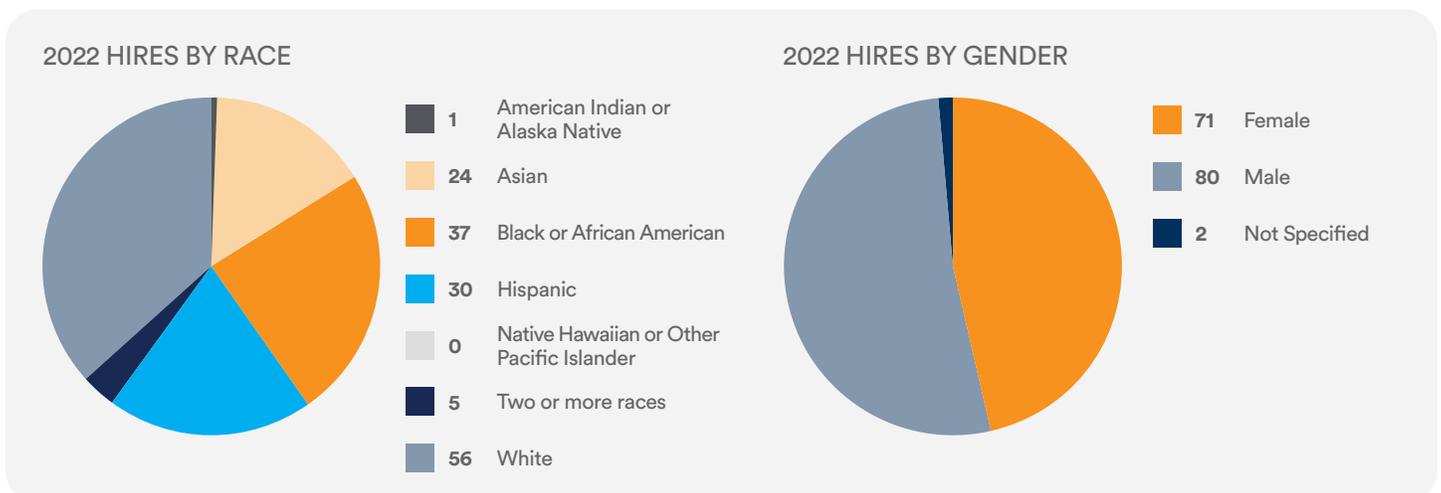
reports. As an overview, as of the end of 2022, our employee population comprised of the following breakdowns:



## Recruitment

The internal recruiting team at Amalgamated is comprised of entirely diverse employees. This provides us the opportunity to view our recruiting process from a variety of lenses as we recruit our highly skilled diverse workforce, which is comprised of people of all backgrounds. Additionally, our external recruiters are also diverse and specialize in diversity recruiting. To reach a more diverse candidate pool, we have implemented broader recruitment strategies, including

partnerships with institutions that support underrepresented groups. We also practice inclusive interviewing techniques to ensure a candidate’s interview panel is diverse and inclusive. Lastly, all job listings are accessible to employees via our intranet, and we reward employee recommendations by paying referral fees when an applicant is successfully placed and has completed their probation period. In 2022 our hires comprised of the following breakdowns:



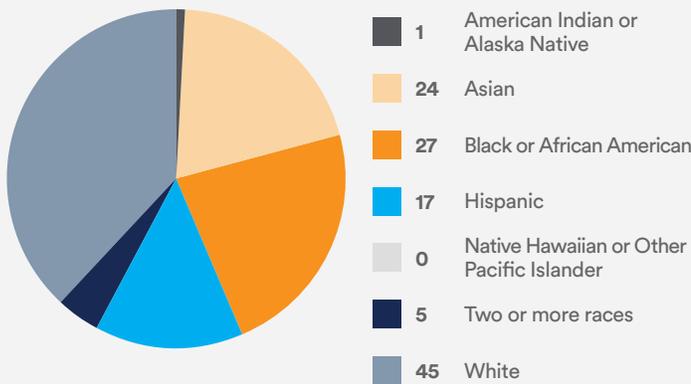
## Retention

Amalgamated Bank believes that employees should constantly grow and learn new skills. The Bank has a tuition reimbursement program and requires employee participation in formal training courses. The Bank will reimburse certain tuition costs upon successful completion of the course, up to \$5,250 annually. All full and participating part-time employees having completed one year of continuous service, prior to beginning any reimbursable course, are eligible to participate in the program. In addition, staff receive access to networking opportunities as well as training on information technology, management skills, diversity and inclusion, data security and privacy, and other relevant skills.

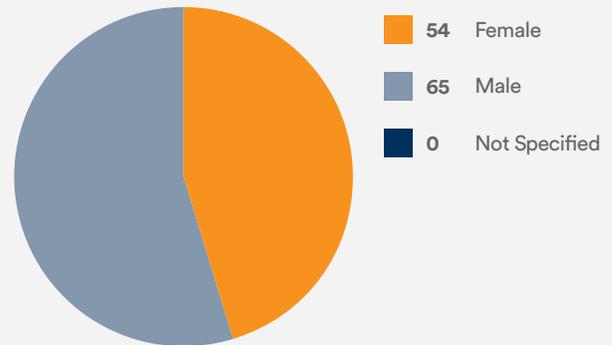
All employees have the opportunity to participate in the employee-owned career development process. The career development process is supported by the Bank and designed to help colleagues create a career plan based on their personal aspirations. We support formal and informal mentorship opportunities under the belief that mentoring programs are often one of the most impactful means of growing personally and professionally, in addition to cultivating internal talent for future leadership. We partnered with the Leaders Edge in 2022 to provide leadership training for high performing/high potential employees who were nominated by executive leaders to participate in a development program.

We are committed to retaining top talent and building a workplace where every person can feel empowered to grow their career. In 2022, we, like many organizations, continued to experience higher levels of regrettable turnover as we competed to attract and retain talent amidst the War for Talent and the Great Resignation. We are committed to tracking this metric and to manage our turnover rate through our strong commitment to corporate culture, fair compensation, benefits and resources, development opportunities, and the strength of our corporate purpose. In 2022, our regrettable voluntary turnover was 15% (employees who met performance expectations who chose to leave), non-regrettable voluntary was 7% (employees who were rated poorly and/or with whom we had active performance-improvement-needed discussions), and our involuntary turnover was 7.5%.

2022 DEPARTURES BY RACE



2022 DEPARTURES BY GENDER

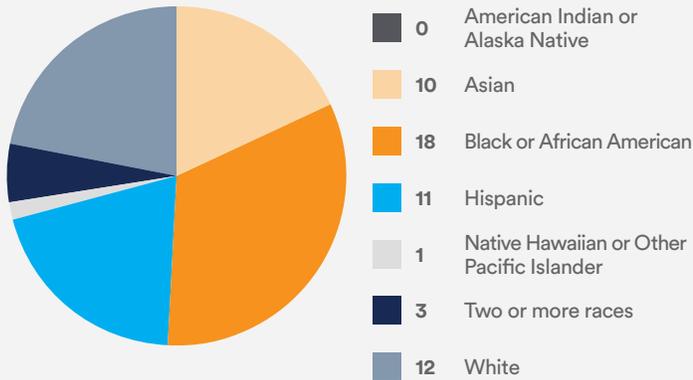


## Promotion

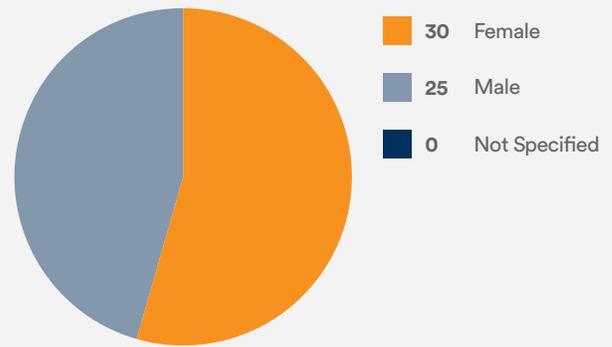
Our Steering Committee, a diverse group of executives who are direct reports to the CEO and who manage our major business lines annually review individual talent across the organization. The Steering Committee also puts forth promotion recommendations for internal talent. We believe

that developing talent from within is a strength of our strategy as a bank and will also allow us to continue to grow our diversity.

2022 PROMOTIONS BY RACE



2022 PROMOTIONS BY GENDER



# CORPORATE GOVERNANCE AND PLAN

At Amalgamated, we understand that achieving and maintaining pay equity is not solely a matter of individual commitment or policy implementation, rather it is a fundamental aspect of our corporate governance. It is woven into the very fabric of how we operate, guided by principles of accountability, transparency, and ethical leadership. Our corporate governance of pay equity encompasses the following key components:

## 1. Board Oversight

Our board of directors plays a pivotal role in governing our approach to pay equity and compensation. The board regularly reviews and approves compensation policies, receives updates on our progress, and supports initiatives to address disparities. Corporate Social Responsibility is a matter of full board oversight and reports quarterly to the Board. A human capital report which includes diversity and retention statistics is also presented quarterly to the Board.

## 2. Compensation & Human Resources Committee

Our Compensation & Human Resources Committee, a committee of the Board, is tasked with evaluating compensation policies and practices, including pay equity. The Compensation & Human Resources Committee conducts regular reviews of compensation data, job roles, market data and assesses the effectiveness of our policies. They make recommendations to promote fair, transparent and equal pay throughout the organization. Its diverse composition includes members with expertise in compensation, diversity, and equity.

## 3. Executive Leadership Commitment

Our executive leadership, including the CEO and senior executives, is deeply committed to pay equity. Our top leaders actively participate in pay equity initiatives and work to ensure that our organizational culture fosters equitable compensation practices.

## 4. Stakeholder Engagement

We actively engage with employees, stakeholders, and external experts. Engagement involves gathering feedback, insights, and recommendations related to pay equity. We seek input from our employees and involve external experts or advisors to provide valuable perspectives and best practices.

Our compensation philosophy reflects our commitment to fairness, accountability, and transparency in compensation practices. It aligns with our legal and ethical obligations and reinforces our dedication to creating a diverse, equitable, and inclusive workplace.

# CONCLUSION

For more than 100 years, Amalgamated Bank has put workers first and sought to advance the dignity of work and a fair economy. Amalgamated Bank's workforce is unique because of our union history and current ownership and employee composition. The Bank was founded by mostly women, mostly poor immigrant, low wage workers, who were unable to access traditional capital and banking services. The Bank is proud of its heritage in the field and proud that it continues to advocate for workers rights as well as providing well paying jobs to its employees. Approximately 22% of the Bank's workforce is unionized. The Bank openly supports unionized labor and collective bargaining. Unionization is explicitly encouraged, per our Freedom of Association Policy. This means, that the members of the union's pay is collectively bargained and standardized. Workers in the union by default have pay equity with one another, only adjusted for tenure.

The Bank is a member of Living Wage for US, and all of our employees qualify for the family living wage thresholds of that standard. When we examined the pay equity for our employees we considered base salary, bonus and equity. However, the Bank considers its total compensation packages to be even more comprehensive and would lead to even less disparity in pay gaps. Amalgamated Bank is committed to investing in its employees through a comprehensive compensation and benefits package that includes health insurance, retirement savings plans including a pension and 401-k, employee development programs, career advancement opportunities, and a focus on preserving a work/life balance.

In the course of this Pay Equity Report, we have undertaken a comprehensive analysis of compensation practices within Amalgamated Bank. Our objective has been to shine a light on any pay disparities that may exist and to provide a roadmap for advancing pay equity across all demographics. As we conclude this report, several key points deserve emphasis.

## Commitment to Pay Equity

Amalgamated Bank reiterates its unwavering commitment to pay equity. It is a foundational principle that guides our organizational culture.

We are proud to have taken the White House Equal Pay pledge to keep compensation fair, to practice our own values of fairness, diversity and inclusion, and to never stop looking for ways to do better. We believe that every individual who contributes their skills, time, and effort to our mission deserves to be rewarded fairly. We are proud to disclose this data, especially our results that show near total pay parity for women and minorities on an adjusted basis. We are committed to conduct similar analyses annually to maintain these standards.

## Progress and Accountability

This report reflects our organization's willingness to confront and address pay disparities wherever they may exist. We are not just interested in highlighting the issues but actively engaged in addressing them. We plan to continue to monitor overall pay gaps and try to minimize these issues over time, while continuing to provide good jobs for people at all levels of the organization.

In conclusion, this Pay Equity Report is not just a document; it is a pledge to our employees, partners, and the broader community. It represents our organization's determination to uphold the principles of fairness, justice, and equality. We invite you to join us on this journey toward a workplace where every individual's contributions are truly valued and where their compensation reflects their skills, experience, and dedication, irrespective of their demographics.

# ACKNOWLEDGMENTS

We would like to express our gratitude to all individuals who contributed to the development of this Pay Equity Report. Specifically, we want to thank our Chief Sustainability Officer, Ivan Frishberg, our Chief Legal Officer, Mandy Tenner, and our Chief Human Resources Officer, Tye Graham. We appreciate the dedication of our CSR, HR and finance teams, particularly, Lyndsay Fritz, Kathy Martin, Carol Wilson and Brad Fiery, for their meticulous data collection and analysis. Your collaborative efforts have been essential in shedding light on pay equity within our organization. Additionally, we thank our partners at Whistlestop Capital and Arjuna Capital for their guidance and leadership on this topic. We would like to thank the teams at Holland and Knight and Charles River Associates for their analysis and review of our data. Finally, we would like to thank our board and leadership teams for their support as we continue to ensure Amalgamated Bank upholds principles of equality, diversity and inclusion in all facets of employment.

# CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements included in this release that are not historical in nature are intended to be, and are hereby identified as, forward-looking statements within the meaning of the Private Securities Litigation Reform Act, Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally can be identified through the use of forward-looking terminology such as “may,” “will,” “anticipate,” “aspire,” “should,” “would,” “believe,” “contemplate,” “expect,” “estimate,” “continue,” “in the future,” “may” and “intend,” as well as other similar words and expressions of the future. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors, any or all of which could cause actual results to differ materially from the results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: (i) uncertain conditions in the banking industry and in national, regional and local economies in our core markets, which may have an adverse impact on our business, operations and financial performance; (ii) deterioration in the financial condition of borrowers resulting in significant increases in loan losses and provisions for those losses; (iii) deposit outflows and subsequent declines in liquidity caused by factors that could include lack of confidence in the banking system, a deterioration in market conditions or the financial condition of depositors; (iv) changes in our deposits, including an increase in uninsured deposits; (v) unfavorable conditions in the capital markets, which may cause declines in our stock price and the value of our investments; (vi) continued fluctuation of the interest rate environment, including changes in net interest margin or changes that affect the yield curve on investments; (vii) potential deterioration in real estate collateral values; (viii) changes in legislation, regulation, public policies, or administrative practices impacting the banking industry, including increased regulation and FDIC assessments in the aftermath of the Silicon Valley and Signature Bank failures; (ix) the outcome of legal or regulatory proceedings that may be instituted against us; (x) our inability to maintain the historical growth rate of the loan portfolio; (xi) changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments; (xii) the impact of competition with other financial institutions, including pricing pressures and the resulting impact on our results, including as a result of compression to net interest margin; (xiii) any matter that would cause us to conclude that there was impairment of any asset, including intangible assets; (xiv) the risk that the preliminary financial information reported herein and our current preliminary analysis will be different when our review is finalized; (xv) increased competition for experienced members of the workforce including executives in the banking industry; (xvi) a failure in or breach of our operational or security systems or infrastructure, or those of third-party vendors or other service providers, including as a result of unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and other security breaches; (xvii) a downgrade in our credit rating; (xviii) increased political opposition to Environmental, Social and Governance (“ESG”) practices; (xix) recessionary conditions; (xx) the ongoing economic effects of the COVID-19 pandemic; and (xxi) physical and transitional risks related to climate change as they impact our business and the businesses that we finance. Additional factors which could affect the forward-looking statements can be found in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K filed with the SEC and available on the SEC’s website at <https://www.sec.gov/>. We disclaim any obligation to update or revise any forward-looking statements contained in this release, which speak only as of the date hereof, whether as a result of new information, future events or otherwise, except as required by law.

**OUR MISSION IS TO BE AMERICA'S  
SOCIALY RESPONSIBLE BANK,**  
empowering organizations and individuals  
to advance positive social change.



Global Alliance for  
Banking on Values

