

## How does ABN AMRO perform its materiality analysis?

# Materiality in 2016

In order to create long-term sustainable value for all of our stakeholders, we strive to manage the impact of our activities and balance our interests with those of our stakeholders.

We therefore performed a materiality analysis in 2016 in collaboration with an external agency. The purpose was to identify topics that have a direct or indirect impact on our organisation's ability to create, preserve or erode economic, environmental and social value – not only for ourselves, but also for our stakeholders and society at large. This materiality analysis was conducted as part of the updating of our bank-wide strategy, which was presented at the end of 2016 (see also our Annual Report). The analysis revealed what our internal and external stakeholders consider to be the most material, or relevant, issues.

### Identification of material topics

Based on a review of an extensive list of topics, we drew up a short list by analysing to what extent last year's topics were covered by the most dominant reporting frameworks (such as GRI, SASB, GRESB, DJSI) and in peer reports. We subsequently clustered and defined these topics with a bank-wide working group of representatives from different departments and fields of expertise, such as Corporate Strategy, Finance, Communications and Sustainable Banking.

### Prioritising

First, we asked our external stakeholders to prioritise these topics. We did this by sending a survey to our four main stakeholder groups (clients, employees, society at large and investors) through online media and a direct, targeted approach (for example, to investors).

All stakeholders were asked to rank each material topic on a scale of 1 to 4 (1 = least relevant; 4 = most relevant). They were also invited to add material topics of their own, but no additional topics were proposed. The input received was weighted, giving each stakeholder group a 25% influence on the results. We received a total of 183 responses.

Secondly, we asked our management group to prioritise the material topics. In preparation for an internal workshop, a bank-wide selection of our management group (including Managing Board members) were asked to rank the topics on a scale of 1 to 4 (1 = least relevant; 4 = most relevant). During the workshop with the management group representatives, we discussed and validated the outcome of the survey. This set-up facilitated discussions on the relevance, completeness and definitions of the topics.

The following material topics emerged from this process (see page 2). The matrix was validated by the participants of the internal workshop.

**Our material topics**



- 1** Customer issue ownership

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- 2** Ethics and integrity

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- 3** Preventing corruption, fraud and cybercrime

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- 4** Sustainability of our business model

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- 5** Stability of our digital services

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- 6** Clear, appropriate advice

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- 7** Agile organisation

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- 8** Co-creation and innovation

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- 9** Privacy, use of client data by the bank or third parties

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- 10** Responsible tax policy

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- 11** Employee engagement and empowerment

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- 12** Moderate risk profile

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- 13** Non-discrimination and human dignity

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- 14** Responsible remuneration policy

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- 15** Role model in terms of legislation and regulations

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- 16** A positive impact on ESG criteria through our financing and investment services

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- 17** Safe and healthy workplace

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- 18** Our environmental impact

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- 19** Adding value by promoting the welfare of society

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- 20** Adding value by leading the public debate

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## Follow-up

Ownership of these material topics is assigned to the relevant members of the management group or senior management. Each topic is linked to an element of the long-term strategy or a mid-term priority (see the connectivity table in the Annual Report 2016). The management approach and the evaluation of its effectiveness differs per material topic and is described in the Annual Report 2016. Progress on the material topics is regularly monitored by our Managing Board.

In the coming year, we expect to deepen our understanding of the topics through multi-stakeholder dialogues with a selection of internal and external

stakeholders (with participation from our Managing Board). In addition, we will draw up specific plans of action, monitor progress of the effectiveness of each management approach and report the results internally and externally. Most of the metrics for progress have already been determined; in other cases metrics will be set and used for reporting. The material topics will have a direct impact on the bank's strategy going forward.

We plan to update the materiality analysis every two years so we can continue to focus on the topics our stakeholders find important. We also invite every stakeholder to respond to our material topics (or propose new ones) by sending an email to [sustainability@nl.abnamro.com](mailto:sustainability@nl.abnamro.com).