

# CEO Statement on ESG

## Investment Products and Services

Sustainability is core to our purpose, *Banking for better, for generations to come*. We see a clear role for ABN AMRO to support our clients in their move to more sustainable investment portfolios, with high environmental, social and governance (ESG) standards. Investing in a more sustainable manner can also mitigate investment risk for our clients.

ABN AMRO is embedding sustainability in its investment products, investment services and asset management activities.

We believe it is our responsibility to inform and advise clients on ESG developments in sectors and industries and to invest on behalf of clients accordingly. Our policies and investment processes reflect our stance on ESG. We also aim to promote investment in socially and environmentally responsible enterprises within our industry, for example by contributing to industry initiatives such as collaborative engagement with companies on ESG topics.

A key differentiator is that ABN AMRO offers ESG investments as the default option to new clients. We proactively discuss sustainability with our existing clients, with the objective of integrating ESG into their portfolios.

Clients can also opt for our impact funds and mandates, a core element of which is investment with specific ESG objectives, such as alignment with the Paris Agreement and the UN Sustainable Development Goals (SDGs). In 2020 we launched the ABN AMRO Aegon Global Impact Fund, which invests in global listed companies that align their activities with the SDGs.

To alert to investments with a high ESG risk, we developed an ESG scan in 2020 that provides insight into the ESG performance of our clients' portfolios. Over 1,000 front-office staff have participated in the Oxford Fundamentals of Sustainable and Impact Investing Programme delivered by Oxford University's Saïd Business School, and more than 1,500 of our employees have been certified by the PRI Academy following an online learning programme. They are supported by our specialised ESG team and external consultants working across countries, who advise on impact and ESG in relation to investment activities and client conversations.

Investment portfolios may be exposed to material ESG-related risks, so we measure and report back to clients on the progress of their portfolios. Clients receive non-financial impact reports that include ESG risk data, carbon emissions and SDG alignment, enabling them to track progress on achieving societal impact.

In 2020, we significantly exceeded our ambition of having EUR 16 billion in ESG client assets, reaching EUR 26 billion by year-end (including EUR 1 billion in impact investments). This growth was attributable to an increase in sustainable contracts, the transition from traditional to sustainable products and solutions, and financial market effects.

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Looking ahead, ABN AMRO has ambitious KPIs: by 2024, we aim for EUR 46 billion in ESG client assets, including EUR 4 billion in impact investments. In addition, we will develop a science-based pathway, in line with the Paris Climate Agreement, for our clients' portfolios by 2024.

For the investment advisory services and individual and collective investment management activities within our group, we remain dedicated to integrating ESG standards into all our investment analyses and processes. Where possible, we act as an active investor on behalf of our clients. We aim to improve the ESG performance of companies by engaging with companies and fund managers on ESG topics, including collaborative engagements in tandem with other financial institutions. We aim to grow our stewardship programme to around 500 engagements a year.

Where possible, we collaborate with other institutional investors and encourage them to act according to the Principles for Responsible Investment. As a minimum, we respect the protection of human rights by acting on breaches of internationally proclaimed rights and taking into consideration labour standards (including freedom of association), forced and compulsory labour, child labour and discrimination, as stated in our policies and guidelines. Increasingly, we analyse businesses with regard to their environmental policies and performance, not just from a 'do no harm' perspective but also to encourage them to contribute to solutions to climate change and other challenges facing our society.

ABN AMRO commits to a stewardship programme by systematically engaging with companies on international standards such as the OECD guidelines, UN Global Compact, UN Guiding Principles on Business and Human Rights, and the Paris Agreement. In addition, we have increased our proactive engagement on thematic ESG topics.

In doing so, we support and encourage transparency in the companies and investment funds that we invest in on behalf of our clients. We report to our clients transparently on non-financial topics relating to their investment portfolios.

Promoting progress in ESG standards is at the core of our activities, and we continue to strongly encourage the promotion of ESG in the investment industry.

Yours sincerely,

ABN AMRO Bank N.V.

Robert Swaak  
CEO

*This Senior Leadership Statement is provided simply as a general overview of ABN AMRO's responsible investment approach. This statement does not constitute advice nor should it be relied upon as such, and it is not a substitute for the expertise, judgement and experience of any parties, their management, employees, advisors and/or clients when making investment and other business decisions. Investment products and services carry inherent risks.*

*Publication date: May 2021*