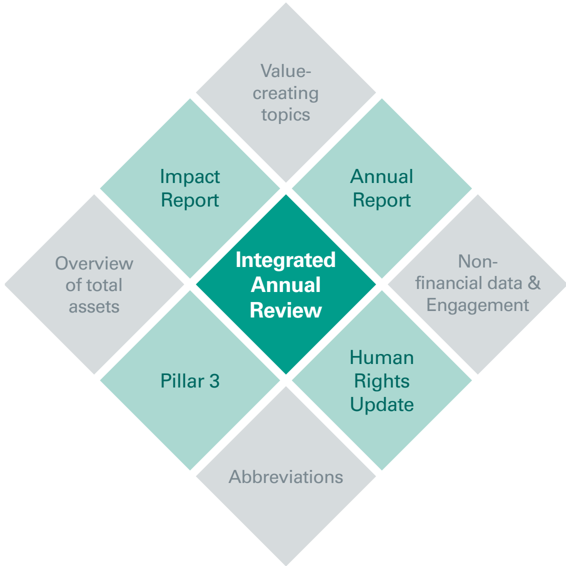
ABN AMRO Bank N.V.

Impact Report 2019

About this report

Welcome to ABN AMRO's 2019 Impact Report

ABN AMRO takes a 'core and more' approach to reporting. The Integrated Annual Review (IAR) forms the 'core' report, in which ABN AMRO explains how, over time, our bank creates value for its stakeholders. The IAR describes ABN AMRO's business, strategy and performance – and its support for the long-term transition to a more sustainable economy.



The IAR takes information from a number of more reports that are published alongside it. This Impact Report is one of the bank's 'more' reports. The purpose of this Report is to provide insight into the impact we have on our stakeholders.

Other 'more' reports, such as the Pillar 3 Report, Annual Report or Human Rights Update, regularly provide further quantitative and qualitative information in the area of risk and capital management, sustainability performance, disclosures on human rights, as well as background information.

This is our second annual Impact Report. It provides an assessment of the impact we had, during 2019, on our stakeholders – not only as a provider of financial services, but also as an employer.

This Report should be read in conjunction with other disclosures – particularly the Integrated Annual Review, which provides an overview of the bank's value creation, strategy and performance. The Report follows, where possible, general principles and concepts for measuring impact, as set out in the Framework for Impact Statements (Impact Institute, 2019). Definitions, criteria and other requirements for measurement have been taken from the Integrated Profit and Loss Assessment Methodology (IAM) – Core (Impact Institute, 2020) , available on www.impactinstitute.com/ipl-assessment-methodology/. There is also a separate Note on Methodology (1.0), available on www.abnamro.nl/impactmethodology2019, setting out the methodology used for ABN AMRO's Impact Assessment. All relevant disclosures are available on ABN AMRO's corporate website.

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Welcome to our 2019 **Impact Report**

Our strategy is based on a simple principle: that our success depends on creating long-term value for our stakeholders – not just our clients and investors, but also our employees, our business partners, and society as a whole.

"We're excited about the progress we're making in this area. Measuring impact is the first step to understanding how we create value, what trade-offs are involved in creating that value, and how we can begin to manage those trade-offs more effectively"

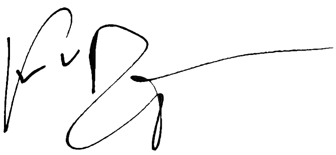
This value isn't just financial – it's also social and environmental. It's about helping our clients buy a new home. It's about the opportunities we offer our employees. It's also about taking care of the environment and human rights. That's why this Report is important – it allows us to identify where we create value, and where we don't. This principle – creating value – is at the heart of ABN AMRO's three strategic pillars: supporting our clients' transition to sustainability, reinventing the customer experience and building a future-proof bank.

We're committed to creating positive value for all our main stakeholder groups. Our results for 2019 show that we did so for clients and employees – though investors saw a sharp decline in our share price. Through our mortgages, other loans and financial services, we created value for our clients. Through salaries and benefits, and taxes to support public services, we created value for society and employees. For investors, despite a lower share price, we still created value through dividends, interest payments and by continuing to invest in our business.

At the same time, we recognise that there are still issues. That, overall, we have a negative effect on the environment. That, within our value chains – in sectors where some of our clients operate – there may be cases of fraud or abuses of human and labour rights. We're committed to minimising these effects, and we're doing so. We're providing more sustainable financing. We're helping clients make the switch to new, more sustainable business models – and we're tightening our controls on human rights, money laundering and terrorist financing.

We're acutely aware that impact measurement is still a young science. Measuring value isn't straightforward. Over the next few years, we'll work to refine our approach, to further improve our data collection and methodology. Already, for this 2019 Report, we've been able to further extend the scope of our business activities in this assessment. We have also incorporated more of the results into our 2019 Integrated Annual Review.

We're excited about the progress we're making in this area. Measuring impact is the first step to understanding how we create value, what trade-offs are involved in creating that value, and how we can begin to manage those trade-offs more effectively – and in a way that means better banking for all our stakeholders, now and for generations to come.



Kees van Dijkhuizen
CEO of ABN AMRO

Creating long-term value for our stakeholders

We create value for society in various ways – by supporting business through loans and other financial products, by providing banking services and by enabling clients to buy their own homes. Like any other company, our activities may also have negative effects. Building homes, for example, may damage the environment through the use of concrete and other natural resources. It's important that we measure this value – that we assess our impact on stakeholders – that, overall, we create long-term value for stakeholders.

It's only by creating value that we protect our licence to operate, and that we can fulfil our purpose: *Banking for better, for generations to come*. This value may be economic, social or environmental, as well as financial. Value is not always easy to measure accurately, particularly for a services company. In recent years, we have made great strides in this respect – measuring value gives us important insight into the impact we have on our stakeholders. It can also make for better, more effective management. We need to understand how this impact differs by stakeholder, so we can balance trade-offs between different impacts, between the short and long term and between the varying interests of our stakeholder groups. Measuring impact comes down to a straightforward question: what difference do we make for our stakeholders and how valuable is this to them?

Recent progress with impact reporting

We published our first Impact Report in 2018, using the Integrated Profit & Loss (IP&L) Assessment method. This is still an innovative area, and the method continues to evolve as more companies and organisations work with it.

Since our 2018 Report, we have made a number of improvements, including:

- Extending our reporting scope; this Report now covers a larger share of the bank's activities compared with 2018.
- Including impact reporting for the first time in our Integrated Annual Review.
- Refining our methodology, and publishing a separate Note on Methodology.
- Standardising more definitions of impacts and related 'capitals', we have added impacts to our methodology; such as the change in share price not captured in comprehensive income. We have also reassigned the client value of both business lending and consumer client value through home ownership from manufactured to financial capital.
- In making these changes, we have put our impact reporting on a stronger footing – one that, in future, will allow year-on-year comparisons of results.

How to read our impact assessment

To put together this Report, we used the Impact Institute's IP&L Assessment methodology. This methodology allows us to quantify our value creation, and gives us a tool to manage the bank according to the impact we have on our stakeholders. Our impact may be positive or negative – it may be financial in nature (through the dividends we pay investors, for example), or non-financial (through increased job satisfaction or the benefits of home ownership for our mortgage clients). The IP&L Assessment captures material impacts – there are 52 in total – and monetises them into euro equivalent amounts.

For the purposes of this Report, we have decided to show impacts in ranges, rather than specific amounts. That is because our methodology is still evolving – exact amounts would be subject to change as our understanding and data granularity improve.

Both direct and indirect impacts are included in the assessment. Direct impacts relate to our own business activities – the energy we consume, or the salaries and benefits we pay our employees. Indirect impacts are those we 'cause' through our value chains – for example, through clients who use ABN AMRO financing to expand their businesses and create new jobs. We also distinguish between internalities (effects that are reflected in prices such as payments from clients or wages) and externalities (effects that are not reflected in prices such as carbon emissions and human capital creation). Approximately 95% of ABN AMRO's internalities and 75% of its externalities are covered by our assessment (both by income). We have excluded some externalities, mainly because of a lack of reliable data.

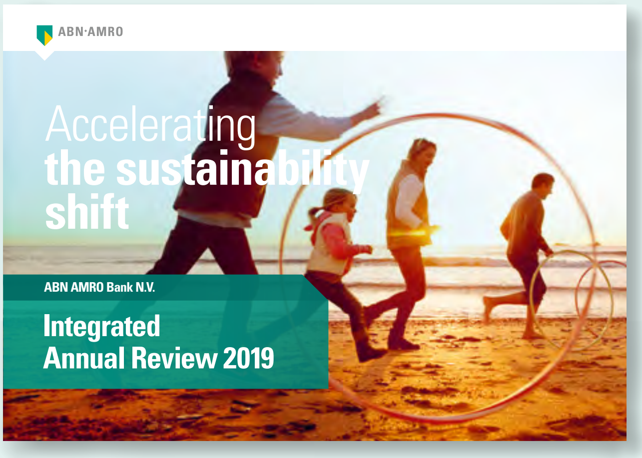
Dimensions & 'netting'

One of the advantages of the IP&L Assessment is that it allows comparison – between impacts, types of capital and stakeholder groups. We are able to show 'net' value creation, but we are also keen to limit this 'netting'. We do not, for example, want to put a price on human rights by offsetting abuses against other positive impacts. Nor do we want to reduce our impact to a single number – we want to create positive value for each of our

Our strategy and purpose

ABN AMRO's strategy is built around its purpose: Banking for better, for generations to come. This means creating value for our stakeholders: clients, investors, employees and society. To achieve this, we have three strategic pillars:

- Support our clients' transition to sustainability
- Reinvent the customer experience
- Build a future-proof bank.



This strategy will guide us through a period of profound change – the result of continued low interest rates, political uncertainty and society's increased expectations, particularly with regard to climate change, and the prevention of financial crime. For more information about our strategy, purpose and value creation, see our 2019 Integrated Annual Review, available online. This Impact Report is intended to complement the Review, by providing additional information on ABN AMRO's approach to value creation.

stakeholder groups separately, because we recognise their importance to our social licence to operate. To avoid misinterpretation, we have divided the assessment into four 'dimensions' (in line with the Framework for Impact Statements):

- Value created for stakeholders
- Value created for investors
- 'Do no harm' (ensuring as far as possible that, in creating value, we do not fail in our commitment to protect human rights and the environment)
- Contribution to UN Sustainable Development Goals (SDGs)

For each of these 'dimensions', we have published an 'Impact Statement' (see pages 16-21). These statements – derived from the overall IP&L Assessment – allow us to understand our impacts and report on them effectively. For more information on our methodology, see our separate Note on Methodology, available on our corporate website.

Our stakeholder groups and types of capital

Our results are broken down by both stakeholder group and type of capital. Our stakeholders[1] comprise the following the groups:

CLIENTS
business and retail clients, public sector clients, brokers, intermediaries and other distributors

EMPLOYEES
full-time and part-time employees, and sub-contractors

INVESTORS
shareholders and bondholders

SOCIETY
suppliers and external consultants, other business partners, local communities, governments, regulators and NGOs

For capital, we have used the International Integrated Reporting Framework's six capital types; these are 'stocks of value' that may be increased or decreased as a result of our activities:

- Financial (all forms of money or other financial assets, including contracts)
- Manufactured (all assets used for production, including property, plant and other equipment)
- Intellectual (intangible assets, including intellectual property, systems and organisation, brand and reputation)
- Human (value relating to 'individual people', including their productivity, skills and health)
- Social (value relating to 'groups of people', including social ties, norms, networks, relations with stakeholder groups)
- Natural (natural resources, including energy, water and climate)

[1] ABN AMRO defines its stakeholders as: 'any group or individual the bank affects through its activities or products and services or who, in turn, may affect the bank's ability to achieve its goals as a business'.

2019 results

Results from our 2019 IP&L Assessment show that ABN AMRO created value for each of its main stakeholder groups. In terms of capital, most value created was either 'manufactured' or 'financial'. A large part of manufactured value stems from the bank's mortgage business contribution to housing benefits and the infrastructure services the bank provides that enable money storage and transfers. Negative impacts included carbon emissions and, in some cases, incidents of underpayment in our value chains, as well as a significant decline, over the year, in our share price.

Value created for stakeholders

Impact by stakeholder group (EUR millions equivalent – presented in ranges)

The table is intended as a summary only. Spheres relate to types of value (equivalent to IIRC capitals), created for each stakeholder group and show net value of outputs minus inputs (in EUR millions equivalent). For further details, see page 17.

2019 results by stakeholder group

During the year, we created most value for **clients** through our mortgages; on the chart, this shows as a positive impact under manufactured capital, amongst others. Clients also benefited from financial advice (intellectual) and quicker transactions, thanks to continued investment in mobile banking (both intellectual and manufactured). In exchange for our services, clients paid fees, commissions and interest (shown as a negative financial impact); some clients also experienced financial difficulties during the year in repaying loans and mortgages (social).

Employees contributed time, skills and knowledge (human). In return, they received salaries (financial), and gains through training and increased well-being (human). Some staff may also have been affected by job losses or health problems related to stress (human).

In 2019, **investors** continued to provide us with financial capital. In return, they received dividend and interest payments. For shareholders, value was lost through a significant decrease in our share price. Long-term value was created through further investment in our assets and workforce (manufactured and human); the bank's brand value also increased (social).

For **society**, we created value through our lending and investment, helping drive growth and job creation. We paid taxes, and made payments to suppliers and business partners (financial). Adverse effects included carbon emissions, increased use of natural resources (natural) and possible cases of fraud, low pay and labour rights violations within our value chain (social). From society's perspective, we are also an overall consumer of human capital, mainly through services provided by business partners.

'Do no harm'

Besides positive effects, our business activities may also have negative effects. Our goal is to limit these negative effects as far as possible – in effect, to reduce external costs to zero. This is our 'do no harm' principle. In 2019, we had a negative effect on the environment, principally through our lending and investment activities. By lending to business, we provide for economic growth, which in turn causes emissions, additional consumption of natural resources, pollution and changes in land use. Through our value chains, we have a 'shared responsibility' in this. We also had a negative social effect in some areas, particularly with regard to child labour and underpayment – again, this was through our value chains. To minimise these effects, we identify risk, and engage directly with clients on human and labour rights, as well as their environmental performance. In addition, we will not finance activities we do not consider to be ecologically, socially or ethically responsible (including new thermal coal plants, tobacco, tar sands, oil & gas exploration in the Arctic, or companies involved in human rights abuses or widespread deforestation). For more information on our approach to human rights and the environment, see our 2019 Integrated Annual Review (available online). Our External Costs Statement can be found on page 19.

Overview of external costs of ABN AMRO's activities grouped by type of capital

(in million EUR-eq.)

Intellectual	-100 to -500
Human	0 to -50
Social	-50 to -100
Natural	-500 to -1,000

[1] Our IP&L consists of benefits and costs. Some costs are 'internal'; they are incurred voluntarily by stakeholders (for example, clients' paying fees and commissions). Other costs are 'external'; they are absorbed involuntarily by other stakeholders. These external costs are, in effect, a measure of the 'harm' we do as a business; our goal is to reduce external costs as far as possible.

Our contribution to UN Sustainable Development Goals

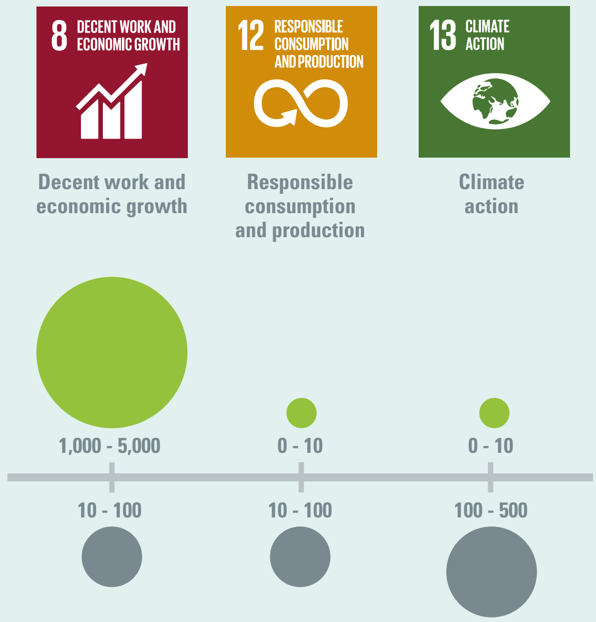
The UN launched its Sustainable Development Goals (SDGs) in 2015. There are 17 goals in all, covering everything from poverty and hunger to climate change, biodiversity and human rights. ABN AMRO has chosen to focus on three SDGs where the bank believes it has most to contribute, both as a lender and as a provider of financial services:

- SDG 8: Decent work and economic growth
- SDG 12: Responsible production and consumption
- SDG 13: Climate action

Our impact assessment shows we had a significant positive impact on SDG 8 – the result primarily of our lending activities, driving economic growth. On the remaining two goals, our impact was negative – this was largely a result of our lending activities. To reduce these negative effects, we want to help our clients shift to more sustainable business models (and, in doing so, lessen their impact on the environment). We are stepping up sustainable financing, investing in renewable energy and social enterprises, and through our Mission 2030 programme, helping clients increase energy efficiency in their homes and business premises.

ABN AMRO's baseline impact on its three focus SDGs

(in million EUR-eq.)



Example calculation

Our assessment is based on calculations of individual impacts; below are two examples. These are for purposes of illustration only and are not intended to represent exact calculations.

1 Well-being effects of employment

This is included under human capital, and refers to the well-being effects of employment (in particular the contribution of a good working environment to overall 'life satisfaction'). To estimate the impact, we use the European Social Survey scale (2018); this estimates the well-being effect of employment on life satisfaction at +7 points (on a 0-100 scale). On average, ABN AMRO has higher employee engagement than other Dutch companies. Based on this, we increased the average effect for ABN AMRO employees to +8.6 points. To calculate the overall impact, we attributed a factor of EUR 2,217[1] for each additional point (based on average salaries), and multiplied the result by total FTEs at the end of 2019 (17,977). Much of this impact may be attributed directly to ABN AMRO (as the employer).

[1] Fujiwara and Dolan (2012) and Fujiwara (2013).

We estimate this at 72% (based on an added value calculation). The remaining 28% may be attributed to other economic actors in the value chain. This gives a positive impact of around EUR 250 million. In a similar way, other human capital impacts (positive and negative) on employees are calculated. The sum of these impacts is estimated in the impact range EUR -50 to -100 million.

2 Use of scarce materials

This impact refers to the depletion of fossil fuels. ABN AMRO is responsible for fossil fuels used in its own operations. To calculate this, information was taken from the bank's own Non-Financial Data report (which provides data on energy use, business travel and carbon emissions). ABN AMRO also has shared responsibility for consumption of fossil fuels by its clients (through their business activities and value chains). To calculate this shared responsibility, we matched average fossil fuel consumption data for sectors and countries to ABN AMRO's interest and fee income from the same sectors and countries; and what the remediation costs are for this fossil fuel depletion.

Breakdown of results
by stakeholder group

Over the following pages, we have provided a breakdown of impact by stakeholder group. To illustrate this, we have visualised the value we created and the inputs we used.

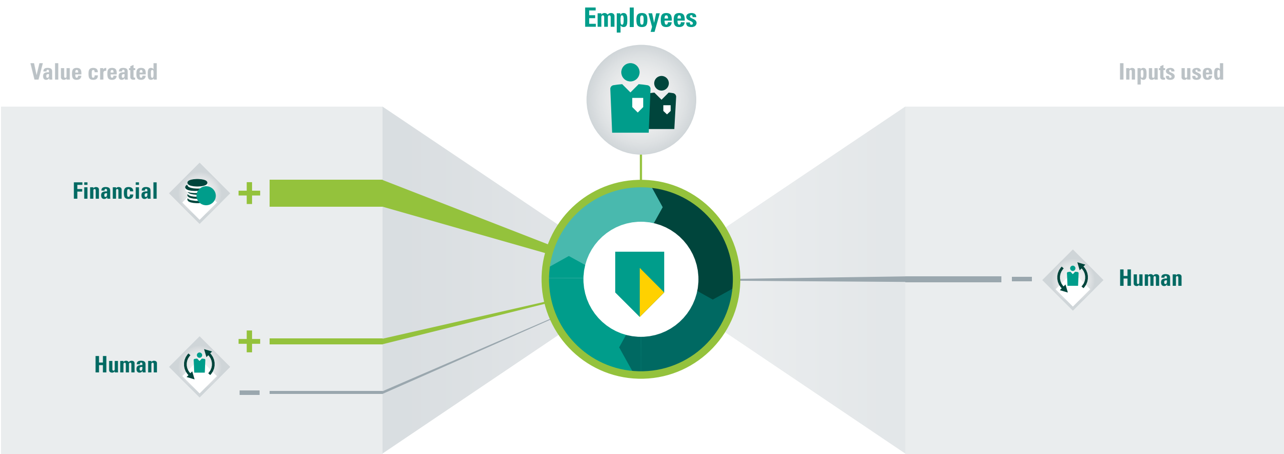
This model sets out capital flows – from the outputs or outcomes relating to value created (or depleted) as a result of the bank's activities (left side) to the inputs we use to manage our business (right side). In the charts below, lines depict capital flows in 2019 – the width of each line provides an indication of the relative size of these flows; they do not reflect actual flows (or financial capital as represented on the bank's balance sheet). For value created, grey lines denote value 'lost' or 'depleted' (see 'Do no harm', page 8). For financial capital, the breakdown mainly shows various types of income and costs for the various stakeholders (not cashflows).

Clients

In 2019, clients provided considerable financial capital to the bank – through fees, commissions and interest on loans. In return, clients received loans and other financial services, including deposits, money transfers and asset management. Through mortgages, clients experienced other benefits of home ownership – partly through the increase in house prices seen in the Netherlands in recent years. Lending, meanwhile, helped our corporate clients build and expand their businesses. We identified and reported several unintended incidents with personal information of our clients, which may have had a negative impact on our clients. On social capital, a small number of clients suffered distress during the year because of difficulties repaying loans and mortgages.

Employees

Employees are an important part of our business; they contribute time, skills and know-how. In return, we provide salaries and benefits – and offer training and career advancement. Employees also benefit from well-being as a result of being in employment (financial security, improved social life etc.). In general, job satisfaction at ABN AMRO is higher than the average in the Netherlands.[1] Total value created was affected by two other factors: a reduction in the total workforce in 2019, and continued reorganisation in certain businesses (which reduced 'well-being').



Investors

Investors provide significant financial input. In return, ABN AMRO pays dividends to our shareholders and interest to bondholders. In 2019, shareholders were, however, affected by a significant decrease in the bank's share price. Longer-term, our shareholders may benefit from our investments in the bank's business – in creating a more skilled workforce, increasing use of technology, brand value and customer loyalty. These factors should flow through to improved financial earnings in the future and better client retention. Our assessment takes into account non-financial factors, as well as ABN AMRO's financial performance.[2] We also publish a separate Investor Value Creation Statement (see page 18).

[1] We measure job satisfaction through a regular Employee Engagement Survey. Our latest survey showed an employee engagement score of 80%, unchanged from 2018.
[2] See ABN AMRO's Income Statement for 2019, published in the bank's Annual Report, available online.

Society

Ultimately, society continued to provide ABN AMRO with its licence to operate. In return, we paid income taxes, and salaries to our employees – and made payments to suppliers. The benefits of these all flowed through to society and to our value chains. At the same time, we are also partly responsible for risks in our value chains – of human rights abuses and environmental damage. In 2019, we contributed, both directly and indirectly, to climate change; we used natural resources such as energy and water. We take steps to minimise these negative effects – by setting clear standards for our lending, investment and procurement.

Examples and illustrations

Mapping impacts across the value chain

We have a value creation model, published in our Integrated Annual Review. This model focuses on our 'capitals', or 'stocks of value', that may be increased or decreased as a result of our business activities.

Alongside this, we also assess impacts in terms of where they occur within ABN AMRO's broader value chain, which may be:

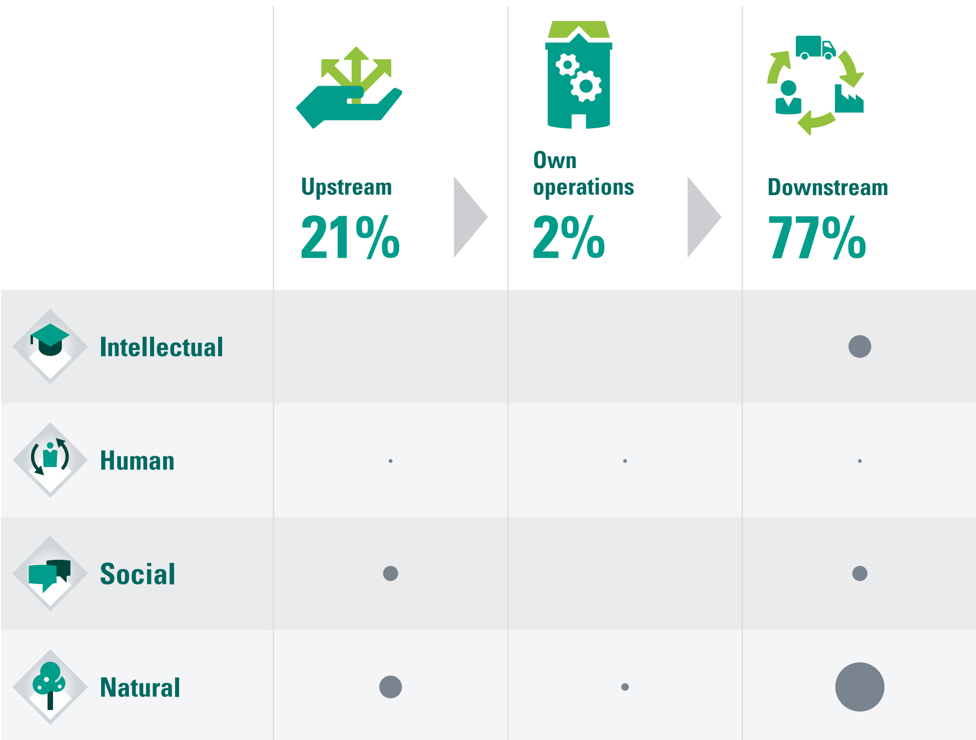
- Upstream, relating to suppliers to our business (these may be suppliers of goods & services, of financial resources, or of time, skills and expertise etc.)
- Own operations, relating to the bank's workforce, offices, and other assets
- Downstream, relating to the bank's clients and their activities in other sectors and value chains.

This provides a different perspective to our value creation model, and helps us understand our business and its impacts better.

We've already seen that our business may create both positive and negative impacts.

Not surprisingly, most of our external costs (our negative impacts, see table below) also occur downstream – 77%. These costs relate primarily to social and environmental risks, incurred through our lending – including carbon emissions, pollution and land use,[1] as well as risks associated with fraud or human rights abuses. We may also create intellectual costs – through unintended incidents with personal information and cyber crime.[2] Of the remaining external costs, 21% originated upstream and 2% in our own operations.

External costs in the value chain



[1] See impacts 46, 48 and 51 in the table on page 17.
[2] See impacts 37 and 38 in the table on page 17.

Making a positive social impact

One of our priorities is to ensure that, as a bank, we have a positive impact on society. Through our lending, we support economic growth and job creation; we also enable home ownership.[1] Through our banking services, we allow clients to manage their personal finances efficiently. We're also an important employer – at the end of 2019, our workforce numbered nearly 18,000 people, most in the Netherlands. At the same time, we realise that doing business with certain sectors may have a negative impact – if they underpay their workers, for example, or are complicit in human rights abuses.[2] We may also have clients with financial problems, struggling to repay their loans or mortgages.

What are we doing in this area to improve our impact?

- Improving benefits for employees: we have signed a new Collective Labour Agreement; this includes a salary increase, a new pension plan and raises annual holiday entitlement for ABN AMRO employees to five weeks.
- Encouraging greater diversity in our workforce: we have taken steps to increase diversity – to bring new ideas and initiatives into our workforce. We are hiring more people with disabilities, and more former refugees; we also have programmes to bring more women through into senior management.
- Tackling human rights risks among clients: we scan existing and prospective clients for human rights risks, including labour rights. Where possible, we engage with clients to mitigate or even eliminate these risks. Last year, our Sustainable Banking department provided advice on 49 clients in connection with human rights, most in the oil & gas and mining & metals industries.
- Upholding international standards and initiatives: our standards are based on accepted international norms, including the UN Global Compact, the International Labour Organization's Fundamental Principles and Rights At Work, and the UN Guiding Principles on Business and Human Rights. We also work closely with governments, peers and civil society in areas like financial crime and human trafficking.
- Supporting clients with financial problems: we provide budget coaches, free personal assessments and an 'early warning system' for clients. We're also part of the Geldfit (or 'money fit') programme, which offers support to those in financial difficulty.

[1] See impact 45 in the table on page 17.
[2] See impacts 42 and 43 in the table on page 17.

Impact statements

Impact statements

About these statements

Our impact statements show the monetised value of ABN AMRO's impact on each of its main stakeholder groups; these impacts are categorised according to the six types of capital defined in the International Integrated Reporting Framework (financial, manufactured, intellectual, social, natural and human). This section contains five separate statements:

- Integrated Profit & Loss Assessment
- Value Creation Statement
- Investor Value Creation Statement
- External Costs Statement
- Sustainable Development Goals

Each statement refers to ABN AMRO Bank N.V., and includes impact relating to both the bank's own activities and those occurring in its value chain. Some activities are excluded (see Scope, page 22). For definitions, see page 26-27.

Reading these statements

Impacts are displayed on a scale of 0 to 10, based on a range in euro equivalents (see key below). Positive impact is indicated in green, negative in grey. The absence of spheres indicates no material impact. Given changes in scope and methodology with respect to last year, results cannot be compared with the results from the 2018 Impact Report. Please note that results may be subject to further changes as our methods and data improve.

Key: monetised impacts

(in million EUR-eq.)

● Positive impact		● Negative impact	
●●●●●●●●●●	>10,000	●●●●●●●●●●	<-10,000
●●●●●●●●●	5,000 to 10,000	●●●●●●●●●	-5,000 to -10,000
●●●●●●●●	1,000 to 5,000	●●●●●●●●	-1,000 to -5,000
●●●●●●●	500 to 1,000	●●●●●●●	-500 to -1,000
●●●●●●	100 to 500	●●●●●●	-100 to -500
●●●●●	50 to 100	●●●●●	-50 to -100
●●●●	10 to 50	●●●●	-10 to -50
●●●	5 to 10	●●●	-5 to -10
●●	1 to 5	●●	-1 to -5
●	0 to 1	●	0 to -1

Integrated Profit & Loss Statement

This Assessment provides an overview of ABN AMRO's financial and non-financial impact by both stakeholder group and type of capital.

		Clients	Employees	Investors	Society
	Financial	○○○○○○○○○	●●●●●●●●	○○○○○○○	●●●●●●●●
1	Payments by clients	○○○○○○○○○○			
2	Payments made by other stakeholders				○○○○○○○○
3	Payments to suppliers for expensed goods and services				●●●●●●●●
4	Employee payments		●●●●●●●●		●●●●●●●
5	Income tax payments				●●●●●●●
6	Interest payments	●●●●●●●		●●●●●●●●	●●●●●●●
7	Net profit/loss			●●●●●●●●	
8	Corrections for non-financial profit items			○○○○	
9	Payments to suppliers for investments				●●●●●●
10	Cost of capital	○○○○○○○		○○○○○○○○	○○○○○○○
11	Value of capital			●●●●●●●●	●●●●●●●●
12	Value of services (financial) provided by suppliers				○○○○○
13	Consumer client value of lending services (non-mortgage)	●●●●●●			
14	Business client value of lending services	●●●●●●●●			
15	Consumer client value through home ownership	●●●●●●			
16	Change in share price not captured in comprehensive income			○○○○○○○○	
17	Other financial impacts	●●●●●		○○○○○○○	●●●●●●●
	Manufactured	●●●●●●●●●		●●●●	○○○○○○
18	Contribution to final goods and services in value chain				●●●●●●●
19	Client value through increase in house value	●●●●●●			
20	Client value of money transfers	●●●●●●●●			
21	Client value of money storage and management	●●●●●●●			
22	Client value of other infrastructure services	●●●●●●			
23	Value of infrastructure services provided by suppliers				○○○○○○
24	Value of goods provided by suppliers				○○○○○○○
25	Client value of housing	●●●●●●●●			
26	Gross increase in tangible assets			●●●●●●	
27	Depreciation of tangible assets			○○○○○○	
	Intellectual	●●●●●●●		●●●●	○○○○
28	Consumer client value of asset management	●●●●●●●			
29	Consumer client value of other fee-based services	●●●●●●			
30	Business client value of other fee-based services	●●●●●●			
31	Change in intellectual assets			●●●●	○○○○
32	Occurrence of cybercrime	○○○○			
33	Unintended incidents with personal information	○○○○○			
	Human		○○○○○	●●●●●	○○○○○○○○
34	Well-being effects of employment		●●●●●●		●●●●●●
35	Creation of human capital		●●●●●●	●●●●●	●●●●●●
36	Value of employee time spent on work		○○○○○○		
37	Value of services provided by suppliers				○○○○○○○○
38	Occupational health and safety incidents		○		○○
	Social	●●●●●●		●●●●●●	○○○○○
39	Decrease in cash-related crime	●●●			
40	Change in brand value and customer loyalty			●●●●●●	
41	Gender discrimination in access to higher skilled jobs				○○○○
42	Underpayment				○○○○
43	Child labour				○○○
44	Financial distress due to difficulties to repay loans	○○○○○			
45	Social benefits of home-ownership	●●●●●●			
	Natural				○○○○○○○
46	Contribution to climate change				○○○○○
47	Use of scarce materials				○○○○○
48	Air pollution				○○○○○○
49	Water pollution				○○○○○
50	Use of scarce water				○○○
51	Land use				○○○○○
52	Limitation of climate change through certificates				●●

This table shows the net value of outputs minus inputs per impact group

Value Creation Statement

This Statement shows value created by stakeholder group (clients, employees, investors and society).

	Input	Positive output	Negative output
Clients	●●●●●●●●●●	●●●●●●●●●●	●●●●●●●
Financial	●●●●●●●●●●	●●●●●●●●●	●●●●●●●
Manufactured		●●●●●●●●●	
Intellectual		●●●●●●●	●●●●●●
Social		●●●●●●	●●●●●
Employees	●●●●●●	●●●●●●●●	●
Financial		●●●●●●●●	
Human	●●●●●●	●●●●●●	●
Investors	●●●●●●●●	●●●●●●●●●	●●●●●●●●
Financial	●●●●●●●●	●●●●●●●●●	●●●●●●●●
Manufactured	●●●●●●	●●●●●●	
Intellectual	●●●●	●●●●	
Human		●●●●●	
Social		●●●●●●	
Society	●●●●●●●●●	●●●●●●●●●	●●●●●●●
Financial	●●●●●●●●	●●●●●●●●●	
Manufactured	●●●●●●●●	●●●●●●●	
Intellectual	●●●●		
Human	●●●●●●●●	●●●●●●●	●●
Social			●●●●●
Natural		●●	●●●●●●●

Investor Value Creation Statement

This Statement shows value created for ABN AMRO investors over both the short and long term.

	Input	Positive output	Negative output
Financial	●●●●●●●●	●●●●●●●●●	●●●●●●●●
Interest payments		●●●●●●●●	
Net profit/loss		●●●●●●●●	
Corrections for non-financial profit items	●●●●●●	●●●●●●	
Cost of capital	●●●●●●●●		
Value of capital		●●●●●●●●	
Change in share price not captured in comprehensive income			●●●●●●●●
Other financial impacts			●●●●●●●
Manufactured	●●●●●●	●●●●●●	
Gross increase in tangible assets		●●●●●●	
Depreciation of tangible assets	●●●●●●		
Intellectual	●●●●	●●●●	
Change in intellectual assets	●●●●	●●●●	
Human		●●●●●	
Creation of human capital		●●●●●	
Social		●●●●●●	
Change in brand value and customer loyalty		●●●●●●	
Natural		●●●●●●	

External Costs Statement

This Statement provides an overview of external costs resulting from ABN AMRO's business activities.

	Clients	Employees	Investors	Society
Intellectual	●●●●●●			
Occurrence of cybercrime	●●●●			
Unintended incidents with personal information	●●●●●			
Human		●		●●
Occupational health and safety incidents		●		●●
Social				●●●●●
Gender discrimination in access to higher skilled jobs				●●●●
Underpayment				●●●●
Child labour				●●●
Natural				●●●●●●●
Contribution to climate change				●●●●●
Use of scarce materials				●●●●●
Air pollution				●●●●●●
Water pollution				●●●●●
Use of scarce water				●●●
Land use				●●●●●

Sustainable Development Goals (baseline statement)

This statement shows ABN AMRO's 2019 contribution to the UN Sustainable Development Goals (SDGs). All 17 SDGs have been included in the assessement, a link has been assessed with 14 out of 17 SDGs. ABN AMRO has chosen to focus on three SDGs: SDG 8, SDG 12 and SDG 13. For more information, see page 9 or refer to the bank's 2019 Integrated Annual Review, available online). This remains a baseline statement; given changes in scope and methodology, results should not be compared with 2018. This statement does not contain information on the size of ABN AMRO's impact.

	Baseline assessment	
	Positive	Negative
SDG 1 – No poverty		
Underpayment		■
SDG 3 – Good health and well-being		
Well-being effects of employment	■	
Financial distress due to difficulties to repay loans		■
Air pollution		■
Water pollution		■
SDG 5 – Gender equality		
Gender discrimination in access to higher skilled jobs		■
SDG 6 – Clean water and sanitation		
Use of scarce water		■
SDG 7 – Affordable and clean energy		
Use of scarce materials		■
SDG 8 – Decent work and economic growth		
Employee payments	■	
Income tax payments	■	
Net profit/loss	■	
Contribution to final goods and services in value chain	■	
Client value of money transfers	■	
Client value of money storage and management	■	
Change in intellectual assets		■
Creation of human capital	■	
Occupational health and safety incidents		■
Gender discrimination in access to higher skilled jobs		■
Child labour		■

	Baseline assessment	
	Positive	Negative
SDG 9 – Industry, Innovation and Inftrastructure		
Change in intellectual assets		■
Creation of human capital	■	
SDG 10 – Reduced inequalities		
Underpayment		■
SDG 12 – Responsible consumption and production		
Use of scarce materials		■
SDG 13 – Climate action		
Contribution to climate change		■
Use of scarce materials		■
Limitation of climate change through certificates	■	
SDG 14 – Life below water		
Water pollution		■
SDG 15 – Life on land		
Air pollution		■
Use of scarce water		■
Land use		■
SDG 16 – Peace and strong institutions		
Occurrence of cybercrime		■
Unintended incidents with personal information		■
Decrease in cash-related crime	■	
Child labour		■
SDG 17 – Partnerships for the goals		
Employee payments	■	
Income tax payments	■	

Notes to the **Impact Statements**

These notes describe the frameworks, scope, methodology, data process and definitions used to compile the Impact Statements. See the document ABN AMRO Impact Assessment 2019 Note on Methodology for more details.

Frameworks used

ABN AMRO's Integrated Profit & Loss Statement has been prepared in accordance with the Integrated Profit & Loss Assessment Methodology (IAM) of Impact Institute.[1] In preparing the Impact Statements, we aimed to follow the Framework for Impact Statements (FIS) as much as possible. In particular, the derived statements to the IP&L Statement were based on FIS: the Stakeholder Value Creation Statement, the Investor Value Creation Statement, the External Costs Statement and the Sustainable Development Goals (baseline) Statement. The Integrated Reporting (<IR>) Framework is a key reference.

The IP&L Assessment

All Impact Statements are compiled on the basis of an Integrated Profit & Loss Assessment (IP&L Assessment) as defined in IAM. An IP&L Assessment represents a systematic assessment of the value an organisation creates for society during an assessment period in terms of the organisation's material contributions to the welfare of all its material stakeholders.

To arrive at the IP&L Assessment, a representative selection of material impacts of ABN AMRO were identified, analysed and monetised. The IP&L Assessment contains the positive and negative impact of an organisation. These are expressed in a monetary unit that reflects their normative desirability: a euro-equivalent (EUR-eq) value is used to represent what an impact is worth to the stakeholders. An IP&L Assessment presents the impacts according to the IIRC Capital they relate to, and the affected stakeholder group.

Scope and boundaries

The IP&L Assessment was made for the calendar year 2019. In this assessment, internal impacts (effects that are reflected in the prices of transactions ABN AMRO is involved in) are measured for 95% of these organisational activities and external impacts (effects that are not reflected in the prices of the transactions ABN AMRO is involved in) are measured for 75%, where coverage is measured according to their contribution to the Consolidated Income Statement of ABN AMRO Bank N.V.

Potential impacts to be included in the scope were assessed based on materiality matrices of ABN AMRO and other banks, existing impact studies by ABN AMRO and other organisations, and internal expert input within ABN AMRO. Of the long list of impact classes mentioned in IAM Core, 70% are in scope, with additionally a number of bank-specific impacts in scope.[2] The following potentially material impacts have not been assessed, mainly due to limited data availability: contribution to money creation, contribution to financial system stability or instability, financial crimes and fraud in the value chain, detection of suspicious transactions and tax evasion, forced labour in the value chain. Similarly, the consumer and producer surplus of a number of activities has been placed out of scope and for some impacts the scope of sub-effects is limited to where robust data is available (e.g., the scope for air and water pollution only includes pollutants for which there is data both on emission levels and for valuation).

The IP&L Assessment includes both impacts of direct operations, and impacts to which ABN AMRO indirectly contributes, such as impacts related to the operations of its clients, and its suppliers of goods, services and capital. The IP&L Assessment contains an analysis of both business-to-business (B2B) activities and business-to-consumer (B2C) activities. For B2B activities the full value chain of clients is modelled.

Methodology

Bottom-up and top-down impact analyses are methodological approaches to calculating impacts. Which approach is used is determined by the data available and the nature of the impacts.

Bottom-up analysis entails impact measurement using specific, company level data. Impacts that have been assessed through bottom-up analysis use the impact pathway logic as described in IAM Core.

[1] We refer to two IAM documents, IAM Core (2020) and IAM Impact Contribution (2020).
[2] Note that this analysis may not cover all existing impacts under each impact class in IAM core, and IAM core may not encompass all existing impact classes.

Top-down analysis entails impact measurement that (also) uses more generic data points that reflect the generic properties of an economic sector. Given that ABN AMRO's business client portfolio and supplier portfolio are large and diverse, it was not feasible to build bottom-up models for all value chain impacts. Instead, they are analysed with a top-down analysis that uses representative averages for sectors and countries.

When several organisations have contributed (directly or indirectly) to an impact, the total size of the impact is attributed among them, in a way that aims to prevent instances where the same impact is attributed to two organisations simultaneously or where the totality of the impact is not accounted for.

In order to do this, impacts are grouped into three categories in accordance with IAM.

- Category I contains impacts that are mainly internal impacts, and that can be attributed fully to the organisation which controls the operations where the impacts occur. There is no attribution to any of the value chain partners.
- Category II contains impacts for which 'value chain responsibility' does apply and a primary responsible company can be identified. Most external impacts fall into this category. The organisation which controls the operations where the impacts occur always get the largest share of the impact, but up to 50% of the impact can be distributed to the value chain partners based on their contribution. This contribution is estimated through the added value distribution.
- Category III contains impacts for which 'value chain responsibility' does apply and no primary responsible company can be identified. Impacts in this category are fully distributed over the different value chain partners based on their contribution to the impact. This contribution is estimated through the added value distribution.

In ABN AMRO's IP&L Assessment, all its internal impacts fall into category I. Examples of these include salaries paid to employees, opportunity cost of capital, and payments of clients for ABN AMRO's services.

External impacts to which ABN AMRO contributed to fall into category II. Examples of these are occupational health and safety incidents, financial distress due to difficulties to repay loans and contribution to climate change.

There are no material Category III impacts identified in the IP&L Assessment of ABN AMRO.

For more details on the methodology, we refer to the ABN AMRO Impact Assessment 2019 Note on Methodology.

Data sources

Internal data: ABN AMRO data was taken either from the bank's own public reporting or internal sources. This includes the bank's Financial Statements for 2019, energy use, human resources information and other non-financial data. Where data was not available for 2019, the most recent period available was used.

External data - Impact Institute: Impact Institute data includes both monetisation factors used to exchange non-monetary values into comparable monetary units and Global Impact Database (GID) data. The GID contains country and sector-specific data regarding the impacts from social and environmental externalities. The GID is used to calculate upstream and downstream supply chain impacts.

External data – Other: For other economic, social and market data, external sources were used. This includes national statistics, international databases and academic research.

Process

Background

Between 2014 and 2018, ABN AMRO conducted a number of pilot IP&L assessments, in partnership with Impact Institute. These assessments strengthened our understanding of the impact we have, as a bank, through both our operations and our value chain. From these, the concept of an Integrated Profit & Loss assessment was developed. While this remains a work in progress, ABN AMRO believes the assessment already provides an extensive overview and understanding of its impact.

The first bank-wide assessment was published in our 2018 Impact Report. This year, summary results from this assessment have been included in the 2019 Integrated Annual Review. ABN AMRO will continue to build on recent progress; the aim is to publish a full Integrated Profit & Loss assessment in our IAR in the coming years.

Overview & governance

The preparation of this Impact Report (and IP&L Assessment) was overseen by a Steering Committee comprising members of ABN AMRO's Communications, Strategy and Sustainable Banking teams. To support this Committee, experts from the bank's Risk Management, Strategy and Finance departments were consulted. Representatives from the bank's businesses were consulted during preparation; they also reviewed several draft results. Impact Institute provided technical support during the preparation process.

Phases of process

The four phases of compiling and reporting Impact Statements as presented in FIS were followed:

1. Frame phase. Expectations, objectives and intended uses for the Impact Report and IP&L Assessment were defined.
2. Scope phase. The scope for the assessment was set, including decisions on:
   a. Activities to be included (based on size and importance).
   b. Impacts to be included (based on a qualitative materiality assessment and a feasibility assessment).
3. Measurement and valuation phase. Impacts were measured and valued by:
   a. Defining a model based on bottom-up or top-down impact pathways for each material impact.
   b. Collecting data and quantifying impacts.
   c. Monetising impact (converting impacts to euro amounts).
4. Reporting phase. The results were validated, analysed and included in this report (results were reviewed and validated by the project team, advisory expert group, managers and experts from ABN AMRO's businesses and the Steering Committee).

Approach to key definitions, principles and requirements

The following table shows the details of ABN AMRO's approach to the key definitions, principles and requirements in IAM.

Elements	ABN AMRO's Approach	Elements
Impact Contribution	The ABN AMRO Impact Report follows the IAM Supplement Impact Contribution (IC) in how attribution is approached. The IP&L Assessment provides the impact contribution of ABN AMRO, providing contributions of own operations and the value chain.	IAM Core sections 2.4 and 4.2, IAM Supplement IC sections 2 and 4, Note on Methodology section 3.1 and 3.2
Reference scenario	Within the scope of this IP&L Assessment, a reference is a no-alternative scenario and impact is referred to as absolute impact. So-called marginal impact, where a reference scenario includes an alternative (such as a competitor's activity) that is more active, is not in scope in this IP&L Assessment.	IAM Core sections 2.4 and 4.2, IAM Supplement IC sections 3.2 and 3.3, Note on Methodology section 3.1
Valuation	Impacts are represented in a monetary way (Euro-equivalents), reflecting their value to stakeholders. Impacts corresponding to the well-being dimension are valued reflecting the well-being of involved individuals, with all individuals weighted equally; impacts corresponding to the respect of basic rights dimension are valued based on remediation costs.	IAM Core sections 3.2 and 3.3 and 4.1, Note on Methodology section 3.4
Realised impact	The IP&L Assessment provides an overview of the estimated valued impact contributions that were realised in 2019, classified by the type of capital and stakeholder group.	IAM Core section 4.1, Suppl. discl. section 2
Representativeness	The IP&L Assessment includes the majority of ABN AMRO's activities and a majority of the material impacts of ABN AMRO. Business-to-business activities and business-to-consumer activities are assessed in separate analyses.	IAM Core section 4.1, Note on Methodology section 2
Balance	ABN AMRO aims to provide a balanced overview of the positive and negative impacts.	IAM Core section 4.1, Note on Methodology section 2.5
Conservativeness	To assess impact, we use a best-estimate valuation. Where there is uncertainty over models, our general approach is to select the more conservative option. This means that choices are made such that positive impacts are at their minimum and negative impacts at their maximum.	IAM Core section 4.1, Note on Methodology section 6
Functional unit	The functional unit of the Impact Statement is ABN AMRO Bank N.V. as a whole.	IAM Core section 4.2, Note on Methodology section 2.1
Stakeholder scope	The IP&L Assessment covers impacts on all four stakeholder groups defined by ABN AMRO.	IAM Core section 4.2 and 5.3, Note on Methodology section 2.3
Capital scope	The IP&L Assessment covers impacts on all six IIRC capitals.	IAM Core section 4.2 and 5.3, Note on Methodology section 2.2
Netting and Aggregation	External costs in the IP&L Assessment are not netted, unless they are shown unaggregated elsewhere.	IAM Core section 5.2, Note on Methodology section 2.5

Presentation of Impact Statements

The results of the IP&L Assessment are presented in five Impact Statements, as defined in FIS. We do not follow all requirements in FIS, as we are still in an early phase of our impact reporting journey. In particular, our Impact Statements provide a representative view of our material impacts but not a complete view. In addition, the Impact Statements are presented for transparency purposes and not for steering purposes.

The five Impact Statements included are:

1 Integrated Profit & Loss (IP&L) Statement

The IP&L Statement presents, for the impacts that were in scope in the IP&L Assessment, classified by type of capital and stakeholder group, their estimated value during the reporting period. For the IP&L Statement, impacts are grouped into groups of related impacts. Each line item in the IP&L Statement constitutes an impact group. For example, IAM requires that an impact belongs to one capital and one stakeholder group. Hence, for example, the line item impact group 'Human Capital Creation' contains the various human capital creation impacts for various stakeholder groups.

In addition to providing information about overall value creation, it also serves as input for all the derived statements below.

2 Stakeholder Value Creation Statement

The Stakeholder Value Creation Statement presents all impacts in the IP&L Statement by stakeholder group and capital, and presents the inputs, positive outputs, negative outputs and net value creation (or reduction) per stakeholder.

3 Investor Value Creation Statement

The Investor Value Creation Statement presents a granular overview of value creation for investors. In particular, it provides the Investor Value Creation Statement at the level of impact groups (and not aggregated at capital level such as is the case in the Stakeholder Value Creation Statement).

4 External Cost Statement

The external cost statement makes transparent the degree to which we "do no harm." It presents all impact groups of the IP&L that are external costs. By the nature of external costs, these are all negative impacts.

5 Sustainable Development Goals (SDG) Contribution Statement

The SDG statement provides an overview of our contribution to achieving the Sustainable Development Goals defined by the United Nations. For 2019, ABN AMRO presents a baseline statement, as methodological changes make the statement not directly comparable to that of 2018. Each impact in the IP&L is assessed based on its link to one of the 17 SDGs (if any). The statement contains the sum of all positive and negative elements that link to each of the affected SDGs (where impacts that map to more than one SDG are equally divided over all SGDs that they are linked to). Currently, it is only presented if this sum is a positive or a negative contribution.

Impact groups in scope

The table below presents the impact groups in scope with their description

	Impact group	Description
	Financial	
1	Payments by clients	Payments from clients to the organisation. From the perspective of the client, these are negative changes in Financial Capital to them.
2	Payments made by other stakeholders	Payments from other stakeholders than clients to the organisation (negative change in Financial Capital to them).
3	Payments to suppliers for expensed goods and services	Payments from the organisation to suppliers (for payments included as expenses in the income statement). From the suppliers' perspective, these are positive changes in Financial Capital.
4	Employee payments	Payments from the organisation related to employee expenses, including gross salary and a number of social security and pension contributions. These are positive changes in Financial Capital for employees (e.g., salaries) and the government (e.g., taxes).
5	Income tax payments	Payments from the organisation to the government related to income tax obligations. These are positive changes in Financial Capital for the government.
6	Interest payments	Interest payments from the organisation to their clients, bondholders and others. These are positive changes in Financial Capital to them.
7	Net profit/loss	If an organisation makes a net profit over a reporting year, this increases the company's stock of Financial Capital and there is a positive change of the capital. Part of this might in turn be used to pay dividends to shareholders. If the organisation makes a net loss, this reduces its stock of Financial Capital and there is a negative change of the capital.
8	Corrections for non-financial profit items	Various non-financial capital changes (e.g., depreciation) are recognised as income and expenses in the income statement. In the IP&L Assessment these changes are recognised under their respective capital. This group consists of changes to balance financial capital.
9	Payments to suppliers for investments	Payments from the organisation to suppliers (for investments that are not included as expenses in the income statement). From the suppliers' perspective, these are positive changes in Financial Capital to them.
10	Cost of Capital	The cost of the capital that is provided to the organisation by clients, equity holders, bondholders and others (negative impacts).
11	Value of Capital	The value of the capital that is provided to the organisation and to the organisation's stakeholders (positive impacts)
12	Value of services (financial) provided by suppliers	When the organisation receives goods in some form from its suppliers, these represents negative changes in Financial Capital for suppliers.
13	Consumer client value of lending services (non-mortgage)	Value of lending services (non-mortgage) delivered by the organisation, which are positive changes in Financial Capital for consumer clients.
14	Business client value of lending services	Value of lending services delivered by the organisation, which are positive changes in Financial Capital for business clients.
15	Consumer client value through home ownership	Clients of the bank experience savings and other Financial Capital benefits from home ownership, which are positive changes in Financial Capital for them.
16	Change in share price not captured in comprehensive income	A positive (negative) share price change – respective to what can be associated with comprehensive income – represents a positive (negative) change in Financial Capital for shareholders.
17	Other financial impacts	Other changes in Financial Capital to the organisation and its stakeholders related to the operations of the organisation.
	Manufactured	
18	Contribution to final goods and services in value chain	When the organisation engages in lending and investment activities, this contributes to the creation of goods and services that have value for the final users (positive impacts).
19	Client value through increase in house value	When home owners see the value of their houses increase (decrease) during the reporting period, this reflects an increase (decrease) in Manufactured Capital.
20	Client value of money transfers	Client value of money transfers created by the bank through the provision of financial infrastructure in that year (positive impacts).
21	Client value of money storage and management	Client value of money storage and management created by the bank through the provision of financial infrastructure in that year (positive impacts).
22	Client value of other infrastructure services	Client value of other infrastructure services (such as securities and custodians services) provided by the bank (positive impacts)
23	Value of infrastructure services provided by suppliers	Value of infrastructure services provided by suppliers of the bank, such as payments, securities and custodian services (negative impacts).
24	Value of goods provided by suppliers	When the organisation receives goods in some form from its suppliers, this represents negative changes in Manufactured Capital for the suppliers.
25	Client value of housing	Client value of living in a house as (co-)facilitated by the bank through mortgage provision (positive impacts).
26	Gross increase in tangible assets	Gross increase in value during the reporting period of tangible assets such as property, plant and equipment (positive impacts).
27	Depreciation of tangible assets	Decrease in value through depreciation during the reporting period of tangible assets such as property, plant and equipment (negative impacts).

	Impact group	Description
	Intellectual	
28	Consumer client value of asset management	Value of asset management services for consumer clients delivered by the organisation. Represents positive changes in Intellectual Capital to clients.
29	Consumer client value of other fee-based services	Value of other fee-based services for consumer clients delivered by the organisation. Represents positive changes in Intellectual Capital to clients.
30	Business client value of other fee-based services	Value of other fee-based services for business clients delivered by the organisation. Represents positive changes in Intellectual Capital to clients.
31	Change in intellectual assets	Positive or negative changes in intellectual assets (e.g., intellectual property rights owned) of the organisation or its stakeholders.
32	Occurrence of cybercrime	Occurrence of cybercrime are negative impacts and external costs if they occur at the company (direct impact) or in the value chain as an indirect impact.
33	Unintended incidents with personal information	Occurrence of unintended incidents regarding data and privacy of clients are negative impacts and external costs.
	Human	
34	Well-being effects of employment	The increase in well-being of employees caused by employment through among other things, effects on self-esteem, autonomy, social relations, and social status (positive impacts).
35	Creation of human capital	Increases in the expected generated value added of employees due to an increase in productivity as a result of working at the organisation.
36	Value of employee time spent on work	The value of the time employees spent on work, which represents a negative (opportunity) cost for employees, as during the time they work they cannot do other valuable activities.
37	Value of services provided by suppliers	Value of services purchased by the organisation, which represents (predominantly) negative changes in Human Capital for the suppliers of the services.
38	Occupational health and safety incidents	Fatal and non-fatal occupational incidents and diseases in the workplace constitute negative impacts and external costs. This applies both to occurrences at the organisation (direct impacts) and to occurrences in the value chain (indirect impacts).
	Social	
39	Decrease in cash-related crime	Decrease in harm from robberies and fraudulent banknotes of clients due to the provision of a digital payment infrastructure (positive impacts).
40	Change in brand value and customer loyalty	Changes in brand value and customer loyalty represent changes in the social capital of the organisation as these are assets that help the organisation to attract and retain clients and employees.
41	Gender discrimination in access to higher skilled jobs	Gender discrimination refers to unequal access to highly skilled jobs on the basis of gender. A gender skill gap at the company in scope (direct impact) or as an indirect impact constitutes a negative impact and an external cost.
42	Underpayment	Underpayment means that employees earn less than a living wage, which is required for a decent standard of living, including as an indirect impact. This constitutes a negative impact and an external cost.
43	Child labour	The presence of child labour (beyond the legal or international limits), including as an indirect impact. This constitutes a negative impact and an external cost.
44	Financial distress due to difficulties to repay loans	Stress clients experience as a result of loan defaults and/or mortgage defaults, which is a negative impact.
45	Social benefits of home ownership	Value of increase in well-being and other social benefits related to home ownership, which is a positive impact.
	Natural	
46	Contribution to climate change	The contributions to climate change through the emission of greenhouse gasses, which negatively affect people and ecosystems. These contributions constitute negative impacts and external costs.
47	Use of scarce materials	Use of mineral and fossil fuel resources makes them unavailable to other users. These contributions constitute negative impacts and external costs.
48	Air pollution	Negative impacts on air quality (e.g. due to the emission of pollutants) constitute negative impacts and external costs.
49	Water pollution	Negative impacts on water quality (e.g. due to the emission of pollutants) constitute negative impacts and external costs.
50	Use of scarce water	Use of scarce water resources makes them unavailable to other users. This constitutes a negative impact and external cost.
51	Land use	Land use, looking at the impact of historical land transformation from an original state with high Natural Capital value to a state with lower value constitutes negative impacts and external costs.
52	Limitation of climate change through certificates	The reduction of external greenhouse gas emissions (i.e., for which the organisation is not responsible in the first place) through buying certificates limits climate change and is a positive impact.

Abbreviations

FIS	Framework for Impact Statements
FTE	Full-time equivalent
IIRC	International Integrated Reporting Council
IP&L	Integrated Profit & Loss
NGO	Non-Governmental Organisation
SDG	Sustainable Development Goal
IAM	IP&L Assessment Methodology
VCM	Value Creation Model

Enquiries & contact details

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