

Green Bond Impact Reporting 2020

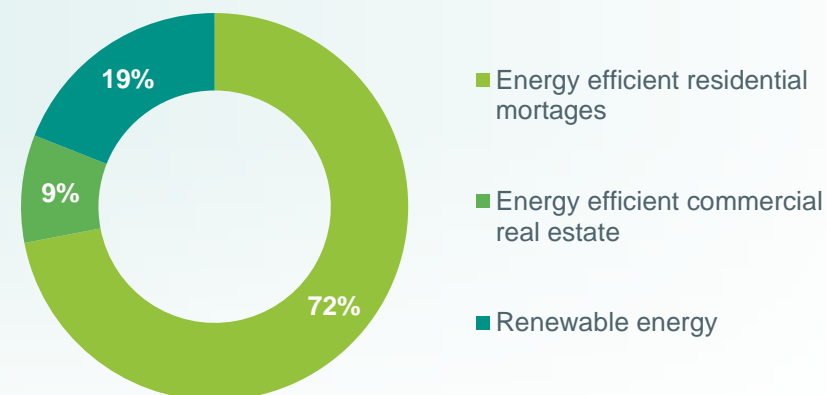
Key figures latest ABN AMRO Green bonds

	2019 issue	2018 issue
ISIN	XS1982037696	XS1808739459
Maturity date	15 April 2026	22 April 2025
Size	EUR 750 million	EUR 750 million
Type	Senior Unsecured	Senior Unsecured
Tenor	7 years	7 years
Spread	MS+38bps	MS+28bps
Coupon	0.50%	0.875%

	2016 issue
ISIN	XS1422841202
Maturity date	31 May 2022
Size	EUR 500 million
Type	Senior Unsecured
Tenor	6 years
Spread	MS+52bps
Coupon	0.625%

Since 2015 ABN AMRO has issued four green bonds focusing on sustainable real estate and renewable energy. These bonds enable investors to invest in mortgages of highly energy-efficient homes, loans for solar panels on existing homes, sustainable commercial real estate and windmills. This report provides an overview of the non-financial impact of our green bond portfolio.

Green bond allocation on portfolio level (31-12-2020)



- The first green bond issued by ABN AMRO in 2015 matured in June 2020
- In 2016, 2018 and 2019 ABN AMRO issued green bonds for a total volume of EUR 2.0bn
- The current portfolio is fully allocated to eligible assets, with mortgages to energy efficient residential buildings, loans to energy efficient commercial real estate, and loans to renewable energy as key use of proceeds

Overall impact per annum

The **annual** impact of ABN AMRO's EUR 2.0 billion green bond portfolio is as follows:



91 kg avoided CO₂ emissions per EUR 1,000 invested

Impact Reporting

Impact per asset class

The following paragraphs outline the impact per asset class and gives an overview of the methodology used to calculate these results. The detailed W/E Consultants report 2021 which extensively discusses the model and assumptions can be found on our website¹⁾. This report also includes the reporting table in line with the harmonised framework of impact reporting.

a) Energy Efficiency - residential mortgages

Loans and investments in this category contribute to a significant reduction in energy consumption of the built environment. Compared to average residential buildings in the Netherlands, the energy efficient residential buildings in the green bond portfolio consume 387 MJ/m² less energy per year. This leads to a total reduction in primary energy use of

192,434 GJ per year. In terms of greenhouse gas emissions, this leads to an annual reduction of 9,737 tonnes of CO₂ emissions.

For this asset area, all buildings are compliant with the Dutch Building Decree to ensure that all buildings have an Energy Performance Coefficient ("EPC") of 0.4 or less which is still within the top 15% of energy efficient real estate in the Netherlands.

b) Energy Efficiency - commercial real estate

The loans and investments in commercial real estate buildings included in the green bond portfolio lead to a significant reduction in energy consumption of commercial real estate. In comparison with average commercial real estate buildings in the Netherlands, the commercial real estate buildings included in the green bond portfolio consume significant less energy

per square meter (298 MJ/m² for offices, 531 MJ/m² for retail shops). This adds up to a total reduction in primary energy use of 27,223 GJ per year. In terms of greenhouse gas emissions, this leads to an annual reduction of 1,192 tonnes of CO₂ emissions.

Besides measures taken for the building itself, access to public transport will further contribute to a reduction of CO₂ and other car related emissions as this promotes the use of public transport as a low-carbon alternative for work-office commutes.

All existing buildings included in the green bond portfolio have a public transport modality within one kilometer. The newly constructed offices are even better positioned with access to at least two public transport modalities within one kilometer.

CO₂ footprint ABN AMRO Eligible Loans vs. average buildings in the Netherlands (2021)



1) [2021 WE Report - CO2-emission Green Bonds ABN-AMRO](#)

c) Energy Efficiency - upgrade projects

The upgraded commercial real estate buildings – all offices included in the green bond portfolio have a considerably lower energy consumption than average commercial real estate office buildings in the Netherlands. As a result of the energy efficiency upgrades, the buildings included in the green bond portfolio consume 235 MJ/m² less energy per year in comparison with equivalent existing office buildings. This results in a total reduction in primary energy use of 2,934 GJ per year. In terms of greenhouse gas emissions, this leads to an annual reduction of 135 tonnes of CO₂ emissions.

d) Renewable energy: GreenLoans

In this category contribute to the production of renewable energy on residential homes in the Netherlands. The expected annual energy production of the solar panels financed in this category is 18,934 MWh. Assuming a life span of 25 years, the energy production is estimated to be 473 GWh during the life span of the financed solar panels. As solar panels are a renewable energy

source, the production of energy from the panels leads to an annual avoidance of 6,986 tonnes of CO₂ emissions, which would otherwise be emitted by conventional power sources in the Netherlands (based on the current energy mix). Over the life span of 25 years, this results in a total avoidance of approximately 175,000 tonnes of CO₂ equivalent.

e) Renewable energy: Wind Energy

The expected annual energy production of the project finance loans in this category is 20,176 GWh/a. Over the total expected life span of wind turbine generators of 25 years, the total predicted electricity production will be 504,388 GWh. The ABN AMRO share in the total construction capital expenditures (CAPEX) of the project is on average results in 444 GWh/a to be allocated to these green bonds. The total avoided CO₂-emissions due to the wind-loans within this bond (ABN AMRO share) are 163,843 tonnes per year. Over the lifespan of 25 years, the avoided CO₂-emissions are approx. 4,096 thousand tonnes.

Harmonized reporting framework

There is an increasing focus among investors towards impact reporting and transparency, this is also voiced in the Green Bond Principles which encourages initiatives and harmonisation efforts on impact reporting. In March 2015, four multilateral development banks drafted a proposal for a 'harmonized reporting framework' for the impact of green bonds. In December 2015, a revised proposal was published by an informal working group of eleven international development banks²⁾. Since 2019, the ICMA Impact Reporting working group under the Green Bond Principles merged all documents and developed a guidance document, most recently updated in April 2020.

ABN AMRO promotes harmonisation efforts on impact reporting and in 2015 was the first commercial bank that used the 'harmonized reporting framework' as guidance document for its impact reporting and following reports and is keen to continue to include alignment with the June 2021 reporting framework provided by ICMA GBP.

ABN AMRO also supports the first blockchain platform to provide easy validation and impact reporting of green bonds to its investors via the Green Asset Wallet (www.greenassetwallet.org).

1) Since 2016 eligible GreenLoans also include energy efficiency measures. Given the large share of solar panels in this portfolio and the large variety of energy efficiency measures, it was decided to only include the non-financial impact of the solar panels financed.
2) <http://www.eib.org/infocentre/press/releases/all/2015/2015-283-joint-communication-on-a-revised-proposal-for-green-bond-impact-reporting-harmonization.htm>